



Development of a Sales Agent business model within the Automotive & Motorsport Industry

A Master's Thesis submitted for the degree of
“Master of Business Administration”

supervised by
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Vienna, 15.10.2018

Affidavit

I, **HORST VAN NIEUWENHUYSE, DI**, hereby declare

1. that I am the sole author of the present Master's Thesis, "DEVELOPMENT OF A SALES AGENT BUSINESS MODEL WITHIN THE AUTOMOTIVE & MOTORSPORT INDUSTRY", 72 pages, bound, and that I have not used any source or tool other than those referenced or any other illicit aid or tool, and
2. that I have not prior to this date submitted this Master's Thesis as an examination paper in any form in Austria or abroad.

Vienna, 15.10.2018

Signature

Acknowledgement

First of all, I want to thank my family and little son Erik for coming into our life and wonderful time during writing on this Master Thesis.

Furthermore, I need to thank company Pankl and especially Hans-Jürgen Januschkowitz for enabling me to attend this MBA. I am looking forward to new challenges in business life and be able to do things in future I always wanted to do. Also, many thanks to my friends from MBA class for the great time we spend together in Bratislava and Vienna.

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Treffen, September 2018

Abstract

This academic paper covers analysis and development of a Sales Agent business case in the Automotive and Motorsport Industry. Currently the Automotive market is still growing but it is going to be more and more competitive and challenging for buyers (customers) and sales (suppliers). Crucial aspects are increasing cost pressure and always further changing and improving technology. A supply of complete systems (modules) with single components from various suppliers show big potential for improvement.

This research is focused on analyzing methods to specify the business model and finally verify this model through a survey. If any new potentials or risks will be identified by analyzing methods or survey, these outcomes are going to be implemented into the business model again. Legal regulations and how an agreement between Sales Agent and supplier may look like will be analyzed and specified.

Result of the master thesis show if a Sales Agent will be beneficial and the better choice for both sides - suppliers and customers. A Sales Agent business case can be an opportunity for the Automotive & race car Motorsport Industry. Ultimately, it is the goal of this business case to show a potential way to improve business performance in that Automotive & Motorsport market.

Keywords: Automotive and Motorsport industry, independent Sales Agent, business case, improving business performance

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1 Introduction

1.1 Motivation

One of the most important part of an organization is Sales. I have been working as a direct Sales person within Motorsport & Automotive Industry for many years.

In my professional life I enjoyed a lot to build up great customer relationships. Most challenging aspects are increasing cost pressure and always further improving Technology can be seen, market and product overview is crucial. Customers would like to buy modules or complete system from suppliers, which in some cases is not easy to offer.

Within my master thesis I want to develop a Sales Agent (indirect Sales) business case and investigate advantages, strengths, weaknesses and risks.

1.2 Goal of the thesis

Development of a Sales Agent business case and evaluation if a Sales Agent would be beneficial and the better choice for both sides suppliers and customers.

Following question shall be answered by this thesis:

Would a Sales Agent business case be an opportunity for the Automotive & race car Motorsport Industry?

Ultimately, it's the goal of this thesis to show new way of improving business performance.

1.3 Methodology

The methodology lused for this thesis was literature study and conducting of a survey. The research question shall be answered, by firstly to use analyzing methods, secondly to specify the business model and finally to verify this model through a survey.

If any new potentials or risks will be identified by the survey, those will be implemented into the business model and again discussed.

1.4 Structure

After Chapter 1 “Introduction” Chapter 2 will provide the theoretical framework required extensive literature review to research and summarize methods of analysis of business models and the legal regulations of a Sales Agent.

Chapter 3 covers the business model including legal agreement and a survey.

Information about the customers and the market is crucial for a successful business model. Results of the survey are analyzed and formulated.

Finally, in Chapter 4 the conclusion is presented.

2 Theoretical Framework

The theoretical background which is relevant to be able to evaluate the business case will be discussed in the following chapter.

2.1 Methods for analysis

Described methods are the basis of discussion and should help to understand process to find best strategy and decision making. Some of those methods will be implemented and used, describing the development of the business case in chapter 3.

2.1.1 Porters Five Forces

According to Porters model dealing with the five forces (Barriers to Entry, Bargaining Power of Suppliers, Threat of Substitutes, Bargaining Power of Buyers, Rivalry among existing Firms) the following main business strategy types are described:

- Cost leadership strategy
- Differentiation strategy
- Focus strategy
- Stuck in the Middle

Cost leadership strategy:

Low cost producers typically have low overhead at low labor cost, low material cost and low production cost (production efficient component design). Depending on structure and industry sources of cost advantage can differ. Ideally all sources of cost advantage shall be exploit, on only some cost advantages on particular areas are not enough to be successful in a competitive market.¹

Differentiation strategy:

A company can achieve differentiation in several ways. For example, by a very innovative product itself, very good marketing (branding), high durability and highest level on service. To diversify on multiple levels would be the optimum for companies following that strategy to create a secure market position.²

¹ cf. M. Porter 1985 p.12

² cf. M. Porter 1985 p.14

Focus strategy:

The focus strategy concentrates only on one segment or group of segments in one industry (could be a niche market). The idea is to achieve a competitive advantage in its target segment. Advantage can be to create a cost advantage (e.g. reduction of complexity or product specialization) or to differentiate from other competitors to be able to cover special needs from buyers by providing a customer-oriented solution. If a company can achieve this strategy, it will be an above average performer in its industry.³

Stuck in the middle:

Without any clear strategy or implementing a combination of all three strategies mentioned above, companies often “stuck in the middle”. Each of that strategies requires different strengths and organizational structures. Profitability and competitiveness are going down and it becomes difficult to change this unstable position.⁴

2.1.2 Unique selling proposition (USP)

When analyzing a business case (selling products or services) the following questions should be asked: Where we are better than our competitors? Where do we have a competitive advantage?

Are we able to offer any better products or services which our competitors do not have? ⁵

“Mentioned points (USPs) should be checked for whether they fulfil the following criteria:

- Important: The difference delivers a highly valued benefit to the target buyer
- Distinctive: Competitors do not offer the difference, or the company can offer it in a more distinctive way
- Superior: The difference is superior to other ways that customer might obtain the same benefit
- Communicable: The difference is communicable and visible to buyers
- Pre-emptive: Competitors cannot easily copy the difference
- Affordable: Buyer can afford to pay for the difference

³ cf. M. Porter 1985 p.15

⁴ cf. M. Porter 1985 p.17

⁵ Philip Kotler (2008): Principles of Marketing, p. 207

- Profitable: The company can introduce the difference profitably”

(Philip Kotler, 2008: Principles of Marketing, p 207)

2.1.3 Red Ocean vs. Blue Ocean

The idea between “red ocean” strategy and “blue ocean” strategy is shown in the following table:

Red Ocean Strategy	Blue Ocean Strategy
Compete in existing market space	Create uncontested market space
Beat the competition	Make the competition irrelevant
Exploit existing demand	Create and capture new demand
Make the value-cost trade-off	Break the value-cost trade-off
Align the whole system of a firm’s activities with its strategic choice of differentiation or low cost	Align the whole system of a firm’s activities in pursuit of differentiation and low cost

Table 1: Red Ocean versus Blue Ocean Strategy [20 p.18]

The red ocean represents the known existing market space. The blue ocean is the unknown untapped market space, demand creation and the potential for highly profitable growth. According to this strategy the only way to beat the competition is to stop trying to beat the competition. ⁶

“The six principles of Blue Ocean Strategy:

- Reconstruct market boundaries
- Focus on the big picture, not the numbers
- Reach beyond existing demand
- Get the strategic sequence right
- Overcome key organizational hurdles
- Build execution into strategy”

(W.Kim, R. Mauborgne, Blue Ocean Strategy, 2005, p. 21)

⁶ cf. W.Kim, R. Mauborgne, Blue Ocean Strategy, 2005, p. 4

2.1.4 Strategy CANVAS

The Strategy CANVAS is a template for developing blue ocean strategies and covers two purposes:

- User should clearly see current state in the known market and where competition invests⁷
- User should take action by reorienting focus from competitors to alternatives & from customers to non-customers of the industry⁸

To create blue ocean strategy, you need to look across alternatives industries, across strategic groups within industries, across the chain of buyers, across complementary product and service offerings, across functional or emotional appeal to buyers and even across time.⁹

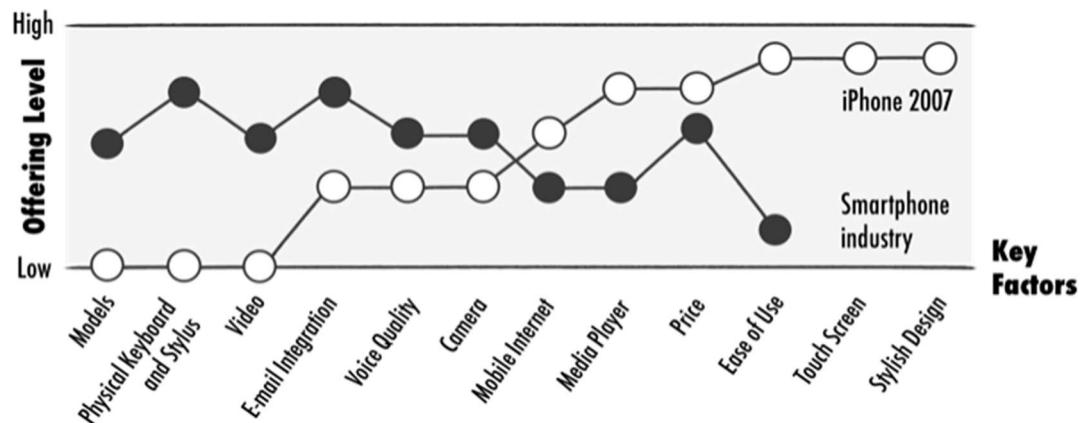


Table 2: Example CANVAS iPhone vs. Smartphone [22]

On strategy CANVAS the horizontal axis shows the key factors companies compete. The vertical axis shows the offering level. On iPhone example above, you can see 12 key factors were the companies differentiate. The last 2 factors were created by Apple and boosted their success.¹⁰

⁷ cf. W.Kim, R. Mauborgne, Blue Ocean Strategy, 2005, p. 25

⁸ cf. W.Kim, R. Mauborgne, Blue Ocean Strategy, 2005, p. 28

⁹ cf. W.Kim, R. Mauborgne, Blue Ocean Strategy, 2005, p. 48

¹⁰ cf. https://www.romanpichler.com/blog/make-your-product-stand-out-with-the-strategy-canvas/#_ftn1 - by Roman Pichler 12.01.2017 - accessed date 06.05.2018

2.1.5 SWOT Analysis

This form of analysis consists of 4 factors Strength, Weakness, Opportunity & Threats.

It categorizes internal factors which are Strength and Weaknesses and external factors which are Opportunities and Threats.

Internal factors are normally within your own control compared to external factors outside your own control (environmental factors).¹¹

Before any start of business, a thoroughly conducted SWOT Analysis should be considered. This will be a good foundation for strategy planning, business proposition & ideas to follow.

Decisions based on results of a SWOT analysis are checked and more balanced. If you want to step in a new business a SWOT analysis, ensure to not waste time and energy on that.¹²

Questions to ask when preparing to complete SWOT:

- Which products/services do we want to sell?
- What is the process we have in place to sell the product?
- Who are our potential customers, who are the people interested in our product?
- In which ways can we deliver the product to the customers?
- What are the financial needs to create and sell this product?
- Who will oversee all the stages from having an idea, to having enough financial resources to complete the task?¹³

¹¹ cf. M. Foong, Understanding of SWOT Analysis, 2007, p. 7-8

¹² cf. G Fine, The SWOT Analysis, 2009, p. 8-9

¹³ cf. G Fine, The SWOT Analysis, 2009, p. 10

<p>Strengths</p> <ul style="list-style-type: none"> + Advantages of proposition? + Capabilities? + Competitive advantages? + USP? + Resources, Assets, People? + Experience, knowledge, data? + Financial reserves, likely returns? + Marketing - reach, distribution, awareness? + Innovative aspects? + Location and geographical? + Price, value, quality? + Accreditations, qualifications, certifications? + Processes, systems, IT, communications? + Cultural, attitudinal, behavioural? + Management cover, succession? + Philosophy and values 	<p>Weaknesses</p> <ul style="list-style-type: none"> - Disadvantages of proposition? - Gaps in capabilities? - Lack of competitive strength? - Reputation, presence and reach? - Financials? - Own known vulnerabilities? - Timescales, deadlines and pressures? - Cash flow, start-up cash-drain? - Continuity, supply chain robustness? - Effects on core activities, distraction? - Reliability of data, plan predictability? - Morale, commitment, leadership? Accreditations, etc? - Processes and systems, etc? Management cover, succession
<p>Opportunities:</p> <ul style="list-style-type: none"> + Market developments? + Competitors' vulnerabilities? + Industry or lifestyle trends? + Technology development and innovation? + Global influences? + New markets, vertical, horizontal? + Niche target markets? + Geographical, export, import? + New USP? + Tactics: e.g. surprise, major contracts? + Business and product development? + Information and research? + Partnerships, agencies, distribution? + Volumes, production, economies? + Seasonal, weather, fashion influences? 	<p>Threats</p> <ul style="list-style-type: none"> - Political effects? - Legislative effects? - Environmental effects? - IT developments? - Competitor intentions - various? - Market demand? - New technologies, services, ideas? - Vital contracts and partners? - Sustaining internal capabilities? - Obstacles faced? - Insurmountable weaknesses? - Loss of key staff? - Sustainable financial backing? Economy - home, abroad? - Seasonality?

Table 3: SWOT Analysis Sample Template with criteria examples [6 p.13-14]

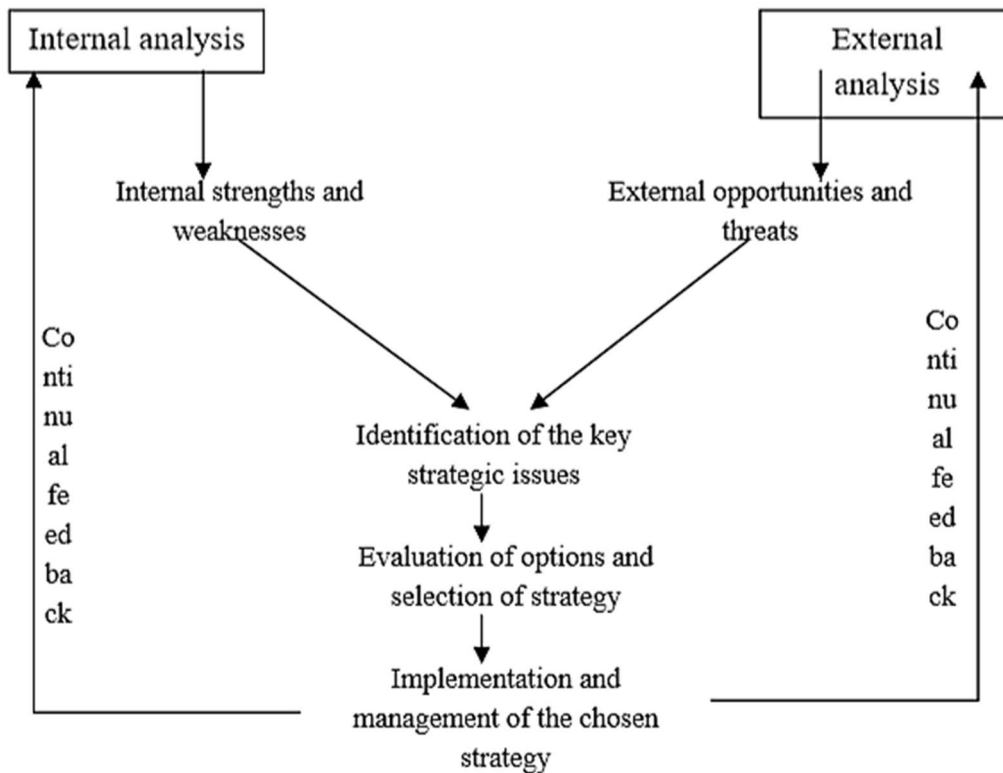


Fig. 1: The SWOT process [16 p.46]

Step 1: Conduct internal and external analysis with identification of Strengths, Weaknesses, Opportunities and Threats

Step 2: Identify and formulate strategies by linking the SWOT factors

- Strength/Opportunity Strategies
- Strength/Threat Strategies
- Weakness/Opportunity Strategies
- Weakness/Threat Strategies

Step 3: Evaluating of strategic options

Step 4: Selecting strategic options and implementation ¹⁴

¹⁴ cf. M. Foong, Understanding of SWOT Analysis, 2007, p. 13

2.1.6 Statistical Survey analysis

2.1.6.1 Introduction - Definition survey

“A survey is any activity that collects information in an organized and methodical manner about characteristics of interest from some or all units of a population using well-defined concepts, methods and procedures, and compiles such information into a useful summary form.”

(Statistics Canada, 2010, Survey Methods and Practices, p. 1)

The requirement for a survey usually starts with need for information which is insufficient or does not exist. Researcher wants to study the characteristics of a population, gain a data base for analytical investigations or test a hypothesis.¹⁵

2.1.6.2 Steps of a survey

Formulation of a statement of objective:

To formulate the statement of objective is one of the most important steps.

This will give the client all necessary information, whether needed to be covered or not.

The target population for the survey will be identified and specified through a list of contacts.¹⁶

Sample design:

In a sample survey only a very small fraction of units of population will do the survey. Compared with a census survey all units of population will be asked.

Non-probability sampling is a very efficient way of selecting units from the population. Here we assume that the sample is representative for the population.

Probably sampling takes much more efforts and is more complex. Statistical agencies usually focus on the probability sampling. Here units of population are selected and each unit probability can be calculated.¹⁷

¹⁵ cf. Statistics Canada (2010): Survey Methods and Practices, p. 2

¹⁶ cf. Statistics Canada (2010): Survey Methods and Practices, p. 2

¹⁷ cf. Statistics Canada (2010): Survey Methods and Practices, p. 2

Development of concept, method and design:

“A questionnaire is a group or sequence of questions designed to obtain information on a subject from a respondent” (Statistics Canada, 2010, Survey Methods and Practices p. 3)

Surveys are commonly used and play a central role in data collection process.

Goal must be that survey respondents understand the questions to be able to answer easily. The form must be specified for further processing and analyzing the data.¹⁸

Data collection:

“Data collection is the process of gathering the required information for each selected unit in the survey” (Statistics Canada, 2010, Survey Methods and Practices, p. 3)

You can do this in two different ways:

- Without assistance of an interviewer (self-enumeration)
- or interviewer assisted

Processing and editing data:

Modern surveys use computer assisted collection methods, which include coding & processing of data. Editing is the process of checks to identify missing, invalid or inconsistent data.¹⁹

Estimation:

“Estimation is the means by which the statistical agency obtains values for the population of interest so that it can draw conclusions about that population based on information gathered from only a sample of the population” (Statistics Canada, 2010, Survey Methods and Practices, p. 3)

The idea behind is that each sample unit in a probability survey represents not only itself but also other units of the population (design weight).

¹⁸ cf. Statistics Canada (2010): Survey Methods and Practices, p. 3

¹⁹ cf. Statistics Canada (2010): Survey Methods and Practices, p.4

Weighting:

Initially a weight to each sampled unit need to be assigned.

The design weight (w_d) is the average number of units in the survey population that each sample unit represents.²⁰

$$w_d = \frac{1}{\pi_1} \times \frac{1}{\pi_2} \quad \pi_1 = \frac{n_1}{N_1}$$

For exampel one of fifty $w_d = 50$.

Data analysis:

“Data analysis involves summarizing the data and interpreting their meaning in a way that provides clear answers to questions that initiated the survey.” (Statistics Canada, 2010, Survey Methods and Practices, p. 227)

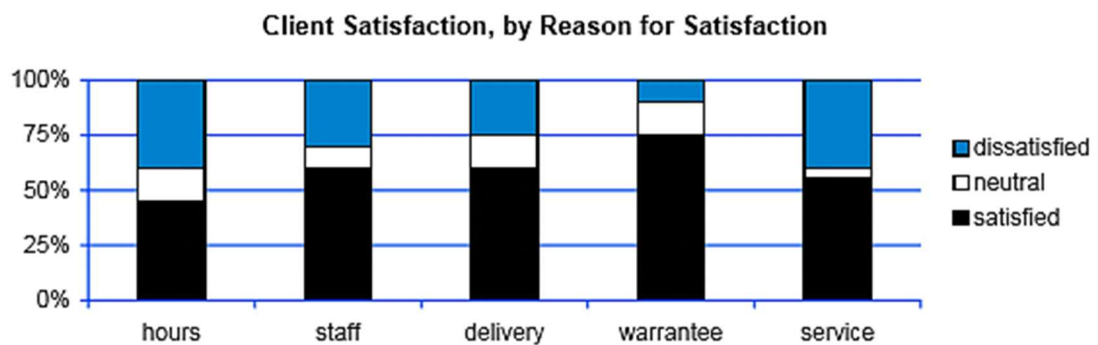


Table 4: Example Client Satisfaction [17 p.227]

2.1.7 H0H1 Hypothesis method

2.1.7.1 Definition H0H1 Hypothesis

In a H0H1 hypothesis testing method, the two complementary hypotheses are called null hypothesis H0 and the alternative hypothesis H1.

A hypothesis gives a statement about a population parameter.²¹

²⁰ cf. Statistics Canada (2010): Survey Methods and Practices, p. 123

²¹ cf. G. Casella & R. Berger (2002): Statistical Inference p.373

In other words, a research hypothesis is a predictive statement, capable of being tested by scientific methods.²²

A statistical hypothesis also called confirmatory data analysis, is a hypothesis that is testable based on observing a process that is modeled via a set of random variables.²³

e.g. 50 answers (survey):

H0: $P > 0.5$ ($> 50\%$ direct Sales = $< 50\%$ Sales Agent)

H1: $P < 0.5$ ($< 50\%$ direct Sales = $> 50\%$ Sales Agent)

2.1.7.2 Hypothesis testing method

To observe every individual in a population is usually impossible or impractical for a researcher. Therefore, this testing method is a statically procedure based on a sample of population to gain a statement on truth or falsity of hypothesis. If a hypothesis is true or false with absolute certain (proven), absolute knowledge is needed.²⁴

Two hypotheses are formulated:

H0: the null hypothesis

H1: the alternative hypothesis²⁵

On the results, be aware that calculations are based on assumptions which could be wrong. Probably there is no escape without judgement in the use of interpretation of statistical tests.²⁶

Four steps of hypothesis testing:

- Step 1: State the hypotheses
- Step 2: Set the criteria for a decision
- Step 3: Collect data and compute the sample statistics

²² cf. C.R. Kothari (2004) Research Mythology p.184

²³ cf. Stuart A., Ord K., Arnold S. (1999): Kendall's Advanced Theory of Statistics p. 202

²⁴ cf. G. Casella & R. Berger (2002): Statistical Inference p.374

²⁵ cf. G. Casella & R. Berger (2002): Statistical Inference p.374

²⁶ cf. R. Nickerson (2000) Null Hypothesis Significance Testing p. 256

- Step 4: Make a decision ²⁷

2.2 Legal regulations for Agents by Austrian Law

2.2.1 Statutory Definition of Types of Agents

A Commercial Agent (selbstständiger Handelsvertreter) is defined as an independent contractor (self-employed businessman) by the Handelsvertretergesetz (HVertrG). His permanent business is either bringing direct legal relations between his Principal and third party as an intermediary (Vermittlungsvertreter) or to enter into binding agreements in the name of the Principal (Abschlussvertreter).²⁸

An Agency relationship exists when the Agent is entrusted by his Principal on a permanent and continuing basis (continuing authority). Generally, it is not restricted to any specific field of trade or commerce.

If a Representative is employed on a fixed or commission basis by his Principal, he is expressly excluded from the term Agent.²⁹

Not included are also Kommissionär, a dealer who permanently buys and sells goods in his own name for the account of another and Distributors (Vertragshändler).

2.2.2 Austrian Government Attitude

The commercial and civil law are fundamentally based on the principle of private autonomy.

Any Contractual agreements or obligations can be made, in principal, from everybody.

In the HVertrG, as well in case law, are aimed to achieve a fair balance rights and duties between Agents and their Principals.

²⁷ cf. F. Gravetter, L. Wallnau (2013) Statistics for the Behavioral Sciences p. 236-240

²⁸ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 1

²⁹ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 28(1)

2.2.3 Business Licensing

In the meaning of the Commercial Code an Agent is always an Entrepreneur.³⁰

Registration is depending on the size of the Agents business turnover and the legal form (into the firm register - Firmenbuch).

In the version of the Austrian Industrial Code (Gewerbeordnung) since 2002 the Agency business is so called “free trade” (freies Gewerbe).³¹

It is necessary to fulfil some general requirements and to register at the Trade Supervisory Office for exercise of a “free trade”.³²

A proof of qualification is not required with regards of a “free trade”.³³

If a partnership or corporation (e.g., limited liability company or stock cooperation) is used as Agency business company form, a manager responsible for the observance for the Industrial Code must be appointed.³⁴

2.2.4 Formation of an Agency Relationship

In general, both parties must have full legal capacity to conclude a valid Agency agreement.

If any party is a partnership or corporation but not a natural person, transactions must be concluded by the company’s officers on behalf of the company.

Principal:

For the Principal there are no special requirements necessary by law. He will be a natural or juridical person, even it is not necessary that he is an entrepreneur by Commercial Code.³⁵

Anyway, which rules of the Commercial Code in addition to HVertG will apply depends on the Principals qualification as an entrepreneur.

³⁰ cf. Unternehmensgesetzbuch (2018) UGB, BGBl. I Nr. 17/2018, para 1

³¹ cf. Gewerbeordnung (1994) – GewO StF: BGBl. Nr. 194/1994

³² cf. Gewerbeordnung (1994) – GewO StF: BGBl. Nr. 194/1994, art5 (1)

³³ cf. Gewerbeordnung (1994) – GewO StF: BGBl. Nr. 194/1994, art5 (2)

³⁴ cf. Gewerbeordnung (1994) – GewO StF: BGBl. Nr. 194/1994, para 9 and 39

³⁵ cf. Unternehmensgesetzbuch (UGB), BGBl. I Nr. 17/2018, para 1

Agent:

Many Agents are natural persons, although partnerships, corporations or other forms of business increased.

In the HVertrG two key elements are mentioned:

- The Agent must act as a self-employed person
- And the Agents business activity must be conducted for profit and be designed to continue for some time ³⁶

Formalities:

A written Agency contract is highly recommended although no attestation, notarization or registration procedures are necessary to validly conclude an agency relationship.

2.2.5 Operational Aspects

Agency Authority:

The HVertG covers the scope of an Agent`s authority and specially for relationship of an Agent and his Principal third parties.

Differentiation by law:

- Agent brings direct legal relations between his Principal and third party as an intermediary (Vermittlungsvertreter)
- Agent with authority to enter into binding agreements in the name of the Principal (Abschlussvertreter)

This differentiation clearly states if an Agent is authorized to conclude a contract on behalf and in the name of his Principal or not. Especially if a third party is in doubt about Agents authorization to conclude a contract on behalf and in the name of the Principal.³⁷

Authority can be conferred upon a person either expressly or tacitly according to the rules of general civil law. ³⁸

³⁶ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 1

³⁷ cf. Jabornegg, Handelsvertreterrecht, 4 (1987) p. 101

³⁸ cf. Chapter of Intern Agency and Distribution Law (2012) 2nd Ed. Juris Publishing, p. 9

The level of authority and Agent proposes, depends on the content of Principals declaration and/or it is attributable to the Principal. If limitations of authority are required by the Principal, he must take care that third party recognises such a limitation.³⁹

To have a binding limitation of the Agent's authority, written confirmation of relating clause by the Principal is necessary.⁴⁰

According to case law such a clause is valid only, if the third party took notice or carelessly failed to do so.⁴¹

If the Principal either approves or accepts any advantage resulting from it, the contract will enter into full force.⁴²

Silence by the Principal may also amount of approval of the contract.⁴³

The Agent may be held liable for damages to third party if the Principal refuses to approve the contract.⁴⁴

An Agent can only accept payments from customers on behalf of the Principal if he is authorized by the Principal.

This will not include to allow discounts unless otherwise specified.

Generally an Agent is deemed to have authority to collect payments from the Sales he has concluded. This authority can be limited by the Principal.⁴⁵

Remuneration and Commission:

Typically the Agent receives a Commission which is a percentage of turnover of transaction negotiated or concluded by the Agent.

The Agent cannot be held liable for the del credere (responsibility for debt obligation) as long agreed differently. If such del credere liability is agreed, normally the Agents receives an additional del credere commission.

A fixed remuneration in addition or beside commission can also be agreed.

This could strongly indicate employment rather than agency relationship. The Agent has to be an independent entrepreneur but not a salaried employee.

³⁹ cf. Chapter of Intern Agency and Distribution Law (2012) 2nd Ed. Juris Publishing, p. 9

⁴⁰ cf. Jabornegg, Handelsvertreterrecht, 4 (1987) p. 104

⁴¹ cf. Judgement of July 1969, OGH, SZ 42/112

⁴² cf. Allgemeines bürgerliches Gesetzbuch (2018) ABGB, StF: JGS Nr. 946/1811, para 1016

⁴³ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 2(2)

⁴⁴ cf. Jabornegg, Handelsvertreterrecht, 4 (1987) page 116

⁴⁵ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 3

Regulated by the statute another option of remuneration is the sharing of Principals profit which will take place at the end of fiscal year.⁴⁶

About General costs and expenses as for example overhead costs related to agent's business, personnel, office & equipment as well as transportation, the Agent is not entitled to a reimbursement.⁴⁷

Due Date:

As soon the transaction between Principal and third party has been concluded and has become legally binding, the Agent has the right on the agreed commission.

This could be the moment once the Principal and/or third party have executed the transaction.⁴⁸

If not agreed differently the Agent may draw up a quarterly statement of the commission.

The Agent is entitled to an advanced payment relating to open commission which have already arisen, even before end of the accounting period.⁴⁹

Principal Accounting Duties:

The Principal has the obligation to prepare a clear and detailed enough list of all commission earned by the Agent. To be able to check this list (amount of commission due) the Agent is entitled to demand that he will be provided with all necessary information (extract from Principals books).

If the Principal does not prepare this information and objects to personal inspection by the Agent, the court may appoint an auditor.⁵⁰

2.2.6 Termination

Usually contract ends by expiration of a fixed period or ordinary termination by notice by one party.

If agreement continues after defined period, it is deemed to change this into contract for an indefinite period.⁵¹

⁴⁶ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 17

⁴⁷ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 13

⁴⁸ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 9 (1)

⁴⁹ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 14 (2)

⁵⁰ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 16

⁵¹ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 20

Termination by Principal and Indemnity:

The Principal has the right by the statute to terminate the contract immediately if (also before agreed period), among lack of reliability reasons, the Agent turns out to be incapable of pursuing the stipulated activity for a substantial period, or if he refuses to do so.⁵²

A decrease in Sales, which is not caused by Agents negligence or caused by Agents sick leave for view days, does not constitute a reason for termination without notice.

Some examples where the principal may terminate because of Agents lack of reliability:

- Accepts, contrary to express statutory provisions, from third party any commission or reward
- Forward orders to his Principal which have not been placed
- Deceives the principal in important business matters
- Misrepresentation with respect to payments received
- Defamation of Principals reputation
- Presentation of the Principals products together with products of a competing firm contrary to express statutory provisions (against law)⁵³

In addition to terminating the contract, the Principal may be entitled to indemnity. Generally, the injured party has to demonstrate that they suffered damage and will have to prove that there has been a fault on others party.⁵⁴

Termination by Agent and Indemnity:

The HVertG statute also contains a list of situations which entitle the Agent to terminate without notice.

The Agent has the right to terminate contract without notice:

- If Agent turns out to be incapable to pursue business
- If the principal, without justification, do not pay at all or reduce commission
- The Principal commits acts of violence or defamation against the Agent

⁵² cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 22

⁵³ cf. Austrian Chapter of Intern Agency and Distribution Law (2012) 2nd Ed. Juris Publishing; p. 19-20

⁵⁴ cf. Allgemeines bürgerliches Gesetzbuch (2018) ABGB, StF: JGS Nr. 946/1811, para 1295

- Shut down of Business which had been primary field of Agents activities⁵⁵

If the Agent in person is incapable to perform his activities defined under contract, unless not stipulated differently, avoid being deemed by using employees or sub-agents.

The Agent is entitled to an indemnity after termination of the contract:

- If he acquired completely new customers or has significantly increase turnover with existing customers
- Likely that the Principal or his legal successor will continue and will have benefits from business with those customers
- Regarding all circumstances the indemnity is equitable, in particular to the commission loss of the Agent with such customers⁵⁶

In case of Agents death entitlement of indemnity still arise.

Exclusion of Indemnity (not payable):

- If the Agent has terminated the contract, unless justified by circumstances as mentioned under HVertG para 22, or because of age, infirmity or illness of the Agent
- If the Principal has terminated because of fault of attributable according to HVertG para 22
- If the Agent assigns his rights and duties under the contract to another person⁵⁷

Amount of Indemnity:

If not agreed by contract for the Agent in a more positive way, the Agent is entitled for indemnity in amount of annual remuneration. This is calculated as an average of last 5 years.

⁵⁵ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 22

⁵⁶ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 22

⁵⁷ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 24

If the contract period was less than 5 years, the indemnity will be calculated on an average of actual period. After one year following termination, without notification by the Agent to his Principal, the Agent loses his entitlement for indemnity.⁵⁸

Post-Termination restrictions (non-competition clause):

Restricting business activities (trade or non-completion clause) following termination of the Agency contract are invalid.⁵⁹

Agents Rights and Duties upon Principals bankruptcy:

In case of Principals bankruptcy, the Agent is obliged to continue his activities until substitute can be procured.

The Agent is entitled to compensation for the damages suffered by Principals bankruptcy, as long it's still within agreed contract period (or agreed period of notice).⁶⁰

2.2.7 Product Liability

1988 the concept of product liability was introduced into Austrian legal order by harmonizing Austrian national law with the relevant EC Directive on product liability. If a person suffers death or injury or property is damaged, through a defective product regardless of fault (strict liability) the Producer is liable for compensation.⁶¹

Agents Liability for Principal defective products:

A party who has imported a product produced in a foreign country into EEA also may be held jointly liable.⁶²

The liability extends to any party who has put the product on the market if the producer or importer cannot be identified, unless party advises the injured person of the name of the producer or importer.⁶³

⁵⁸ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 24

⁵⁹ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 25

⁶⁰ cf. Handelsvertretergesetz (1993) HVertrG StF: BGBl. Nr. 88/1993, para 26

⁶¹ cf. Austrian Chapter of Intern Agency and Distribution Law (2012) 2nd Ed. Juris Publishing; p. 36

⁶² cf. Produkthaftungsgesetz (1988) StF: BGBl. Nr. 99/1988, para 1

⁶³ cf. Produkthaftungsgesetz (1988) StF: BGBl. Nr. 99/1988, para 1(2)

2.3 Distributors

2.3.1 Definition

The distributor undertakes by meaning of a long-term contract with the producer or his intermediary, to either sell or promote the sale of contractual goods in a defined sales area. The distributor undertakes his commercial activities in his own name and on his own account; he is organizing his sales activities and risks for himself and may use producers brand simultaneously with his own (corporate) name when conduction business as distributor.⁶⁴

Under Austrian law no legal definition exists for a Distributor. In comparison between the commercial Agent and a Distributor many similarities exist, one substantial difference will remain. The Distributor will always will act in his own name and on his own account. The Producer and the Distributor will agree on terms and conditions of the purchase of goods in a distributorship agreement.⁶⁵

2.3.2 Liability

Liability of Distributor for Intellectual Property Infringements of Supplier:

The Distributor may be held liable to the supplier for violations in Austria of copyright law, patent, law, trademark law and competition law on goods sold by the Distributor.⁶⁶

Product liability:

The Austrian supreme court has stated, under various cases, that intermediate sellers of merchandise would in principle be liable to the end user of the product only for fulfilling all the typical obligations and duties of an intermediate seller in the chain of sale.

Under Austrian product liability law only the producer and the importer are liable for a product deficiency. Furthermore, producer or importer are liable for damages that

⁶⁴ cf. Ulmer, *The Authorized Dealer - Distributor* (1969) p. 206

⁶⁵ cf. *Austrian Chapter of Intern Agency and Distribution Law* (2012) 2nd Ed. Juris Publishing, p. 38

⁶⁶ cf. *Austrian Chapter of Intern Agency and Distribution Law* (2012) 2nd Ed. Juris Publishing, p. 44

are incurred as a consequence of a product deficiency even if they are not responsible for the product deficiency (strict liability).

As long as producer or importer are not identified, each merchant who introduced product in to the market would be liable, unless he provides the injured party the producer or importers identity.

It is recommended that the distributor may try to secure his right of recourse against the foreign producer through careful contractual provisions.⁶⁷

⁶⁷ cf. Austrian Chapter of Intern Agency and Distribution Law (2012) 2nd Ed. Juris Publishing, p. 47,48

3 Business Case Sales Agency in the Automotive & Motorsport Industry

3.1 Introduction

Comparison Direct Sales vs. Sales Agent:

Direct Sales:

- Direct Sales working exclusively for one company (selling these products)
- Standard employer / employee relationship (Standard contract with salary e.g. bonus)
- Supplier-Producer company is liable (product liability)

Sales Agent:

- Sole entrepreneur /self-employed (Commercial Agent contract with commission)
- Typically, non-exclusive (Sales Agent selling various brands & products)
- Buyers and Suppliers are customers of the Sales Agent
- Sales Agent not liable (Distributors & Importers maybe held liable)

3.2 Definition of Sales Agent for this business case:

In this business case the Sales Agent is a self-employed businessman (independent contractor). He has separate Commercial Agent contracts with different key suppliers (could be Tier 1 & Tier 2 suppliers) for mechanical components in the Automotive and car Motorsport Industries. The Agent doesn't work exclusively for one single supplier, he works self-responsible, independent has his own office and time flexible.

3.3 Business case agreement with suppliers:

Extent of representation:

The Sales Agent represents suppliers (principals) within an agreed territory (Europe) and customers for specified products (mechanical components) in the present and in the future.

The Agent's permanent business is only bringing direct legal relations between his Principal and third party (customer) as an intermediary and not to enter into binding agreements in the name of the Principal.

Duties and obligation of the Principal (supplier):

The Principal has to support the Sales Agent to perform his activities to the best of his ability. The Principal has to supply all necessary data & information as required documentation, quotes, price lists, delivery schedules without delay.

The Principal shall immediately inform the Sales Agent about any delivery changes from orders.

About correspondence between Principal and customers, the Sales Agent should be informed.

Duties and obligations of the Sales Agent:

The Sales Agent shall be committed to attend to the Principals interests.

Any circumstances which might change creditworthiness of a customer, Principal shall be notified by the Sales Agent. There is no fixed availability of the Sales Agent at the production plant (at the Principal) necessary.

Established customers:

The Principal shall supply the Commercial Agent with a list of the names and the respective annual sales of all the customers including product groups in the relevant & non-relevant territory with whom business relations already exist (all established customers) as established business for relevant customers will count for the Commercial Agent in terms of commission from now on. Also customers outside the relevant territory can be relevant for the Commercial Agent (non-relevant & relevant customers will be named).

If the Sales of an established customer has substantially increased by the Sales Agent, this customer will be valued as a new customer just like completely new introduced customer.

Exemption from liability:

The Principal warrants production and distribution of products and warrants agreed with Sales Agent to comply to Consumer Legislation law.

He does not infringe third party licenced patent rights, rights related to design, trademarks and copyrights. The Sale Agent will hold harmless by the Principal from any liability against above mentioned infringements. Any costs for legal actions and all other necessary expenses caused by a claim will be covered by the Principal.

If claims are filed against the Sales Agent causing by defects of products manufactured or distributed by the Principal (product liability) any costs of the claim have to be covered by the Principal.

Commission:

The Principal has to pay an agreed commission in percentage for all direct and indirect business transaction for related orders. Principal and Sales Agent agrees for a minimum Remuneration (payment) per month.

A statement of account listening with customer payment transaction including respective customer invoice shall be submitted by the Principal last day of month. The commission is payable immediately. The registered office of the Sales Agent shall be place of performance.

If customer delays in payment the Principal has to prove by effectively issuing execution and he has taken all reasonable actions.

Duration and termination of agreement:

Duration of agreement will come into force on defined date and shall remain for an undetermined period. Termination of the agreement by one of the two parties with 3 months notice has to be made by registered letter.

Right to compensation (Indemnity):

If any party will terminate agreement still ongoing projects (just new achieved & realized projects by Sales Agent) with customers will remain valid (for complete turnover and also after sales) for commission as long as the project lasts (project scope definition).

As stipulated by the Austrian Law on Commercial Agents (HVertrG 1993), in case of termination by the Principal the Sales Agent has to receive compensation of the amount of one annual commission of all his customers (average of last 5 years).

Non-Exclusivity:

The Sales Agent can also provide services for other Principals (no-exclusivity) as long as there are no conflicts of interests between the contracting companies.

The Sales Agent can also employ other people (sub-agents) to fulfil services.

3.4 CANVAS Analysis Sales Agency

The CANVAS analysis creates an overview of strategy, the services are offered, the customers focus and business positioning by answering some key questions:

- Do you have a clear understanding of your product/service value proposition?
 - + Optimum price/ technology / quality ratio
 - + Production capacity by various suppliers

- The primary benefit it provides?
 - + Strong network in the Automotive & Motorsport Industry.

- The market segment you want to serve?

Mechanical components in the Automotive & Motorsport Industry.

- Do you know your main competition?

Here we need to differentiate:

- Competition for Sales Agent:

There is no information about existence of any other Sales Agent in that business available.

This will be an USP as no competition might exist.

Direct Sales can be seen as competition.

- Competition between suppliers:

Competition between suppliers definitely exists and is well known. Some of them might be customers of the Sales Agent.

- What are the key factors which highlights Sales Agent vs. Direct Sales service?
 - + Reputation of Sales Agent
 - + Network & Experience
 - + Presence at customer & suppliers (central located office)
 - + System coverage (modules)
 - + Seen confidentiality
 - + Optimization Price/ Technology/ Quality ratio
 - + Supporting forecasts
 - + Transport and logistics
 - + Production capacity by various suppliers

- What is the result of CANVAS evaluation Sales Agent vs. direct Sales?

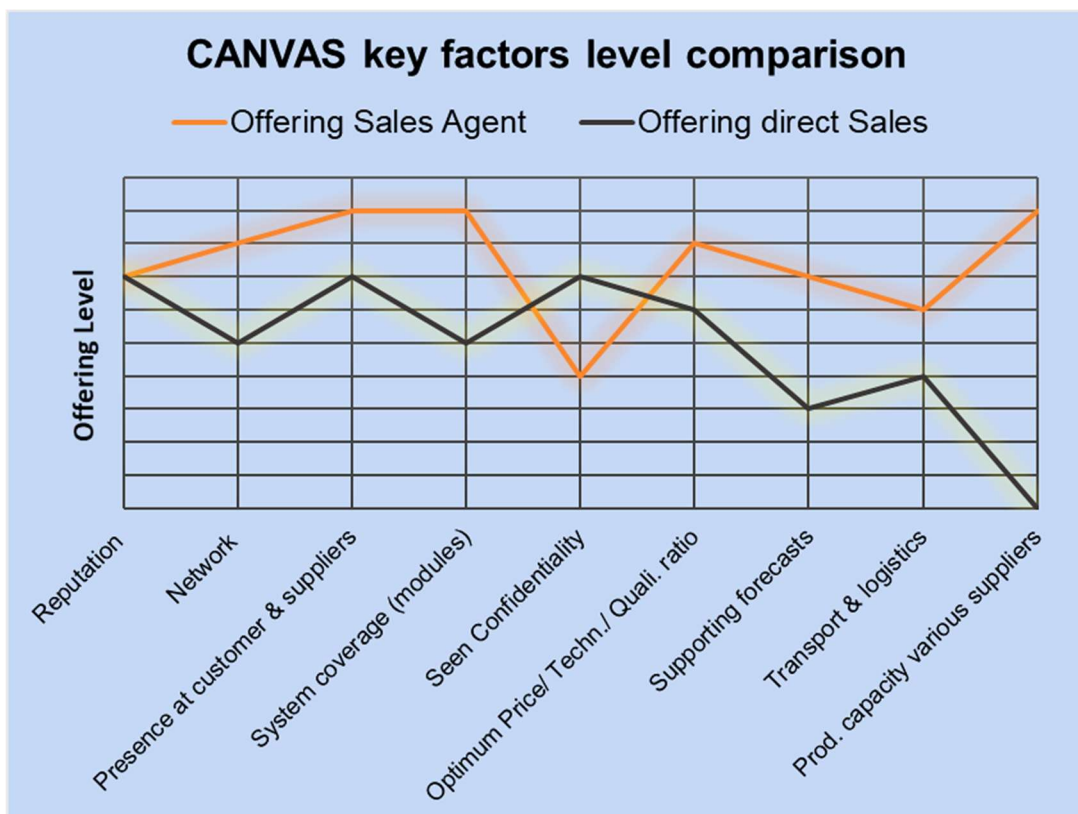


Table 5: CANVAS key factors level comparison - qualitative statement of evaluation
[own table]

- What do you need to change to diverges (eliminating, reducing, raising and creating new factors)?
 - + Ensure trust about confidentiality
 - + Offer additionally services which direct Sales don't offer (Optimization Price/ Technology/ Quality ratio, supporting forecasts, transport & logistics, production capacity by various suppliers)

3.5 SWOT Analysis Sales Agency Automotive & Motorsport Industry

3.5.1 Identification SWOT factors

<p>Internal</p> <p>S</p> <ul style="list-style-type: none"> + Experience & good market overview (quality & prices) + Good network + Delivery Satisfaction + Understanding of state of the art Technology + Knowhow & future trends + Understanding work/demands + Geographically central located + High presence at buyers & suppliers + Flexibility + Customer support & satisfaction + Reputation Agent, values 	<p>Internal</p> <p>W</p> <ul style="list-style-type: none"> – Responsibility (case of quality topic, principal or agent) – No direct Inside of the customer & principal (agent external party) – Availability of data (agent external party) – Agent works independent (no control by customer)
<p>External</p> <p>O</p> <ul style="list-style-type: none"> + System coverage + Supply chain + Understanding of Niche markets + Latest Industry trends (e.g. Additive manufacturing) + Technology developments + Supporting Forecasts + Optimize Sales & Purchase processing + Dealing with Pricing/Cost pressure + Optimize Cost – Technology – Quality ratio + Lead Time optimization + Transport & Logistics service + Independent service 	<p>External</p> <p>T</p> <ul style="list-style-type: none"> – Missing Trust - Confidentiality (agent seen as external party) – Know how & strategy share – No business opportunities – Supplier (Principal) don't deliver in time – Quality/ Warranty issues by Supplier – Agent seen as independent (no control)

Table 6: SWOT factors Sales Agency Automotive & Motorsport Industry [own table]

3.5.2 Identify and Formulate strategies by linking the SWOT factors

- Strength – Opportunity Strategies
 - “All in one” package strategy
 - Best price strategy
 - Technology on demand strategy
- Strength – Threat Strategies
 - Concentrate on Austrian surrounding countries as Germany and Italy
- Weaknesses – Opportunity Strategies
 - Align Sales & Purchase process and responsibilities
- Weaknesses – Threat Strategies
 - Verify and check contract between Agent and Principal in terms of responsibilities and warranty.

3.6 Hypothesis testing method

State the hypotheses:

The null hypothesis (H0) has been specified that <50% of sample population within Automotive and Motorsport Industry have experience working with a Sales Agent and also for future this will not change (keep <50%). Working with a Sales Agent would not affect business performance.

The alternative hypothesis (H1) has been specified that this value increases, >50% consider working with a Sales Agent in future for improving business performance.

Set the criteria for a decision:

If the alternative hypothesis according to sample data is true and >50% consider working with a Sales Agent for improving business performance in future, business case could be successful and worth starting with.

Collect data and compute the sample statistics:

As described in chapter 3.6 onwards a survey has been prepared to collect data from a sample population within Automotive and Motorsport Industry.

Result was that the alternative hypothesis (H1) is true, as 61,4% consider to start working with a Sales Agent in future.

Make a decision:

According to this method, decision would be to start working as a Sales Agent under the specified business case agreement (Chapter 3.3) for suppliers. In addition services will be offered also to customers (buyers) in the same market & industry.

3.7 Survey Analysis Sales Agency

3.7.1 Formulation of statement of objective

For my MBA master thesis, I would like to develop a Sales Agent business case for the Automotive & Motorsport Industry. The aim is to evaluate if a Sales Agent compared to direct Sales would be beneficial and the better choice for both sides Suppliers & Customers (Buyers).

Definition of Sales Agent for this business case:

The Sales Agent works self-employed. He has separate Commercial Agent contracts with different key suppliers (could be Tier 1, 2...suppliers) for mechanical components in the Automotive and race cars Motorsport Industries. The Agent does not work exclusively for one single supplier, he works self-responsible, independent and flexible.

General Question:

Can a Sales Agent business case be a success in the Automotive & Motorsport Industry?

Goal:

Use of Sales Agent (compared to Direct Sales) will be beneficial for both sides for Suppliers & Customers (Buyers). Sales Agent adds value.

Target survey population:

Automotive & Motorsport Industry; Management, Purchase, Project management, Engineering, Sales

Time schedule:

June, July, August 2018

3.7.2 Questions

Q1. Your Company is an (more choices possible):

- Automotive OEM (car manufacturer)
- Motorsport team
- Automotive supplier (Tier1,2,...)
- Motorsport supplier
- Other

Q2. Your position?

- Engineering
- Management
- Purchase
- Project management
- Production
- Sales
- Other

Q3. With whom do you have a business relationship (more choices possible):

- Automotive OEM
- Motorsport team
- Automotive supplier (Tier1,2,...)
- Motorsport supplier
- Other

Q4. Your dialog partners position you are dealing with (more choices possible):

- Engineering
- Management
- Purchase
- Project management
- Production
- Sales

- Other

Q5. Do you have experience working with a Sales Agent in the Automotive & Motorsport Industry?

- Yes
- No

Q6. If yes what kind of experience?

- Positive
- Neutral
- Negative
- No experience

Q7. What are the biggest challenges or risks working with a Sales Agent in your opinion?

Q8. Please rank examples of challenges (a. on top most important; each priority ranking can only be chosen one time):

- a. Agent works independent
- b. Recognised as external
- c. Knowhow share
- d. Quality issues
- e. Responsibility
- f. Confidentiality

Q9. Is a value improvement for your company a good reason to start working with a Sales Agent (e.g. making more profit by buying for less or selling for more money)?

- Yes
- No

Q10. Is a value improvement for your company in context of Performance, Design or Innovation a good reason start working with an Sales Agent (will give input on technology and future trends)?

- Yes
- No

Q11. Are there any situations where direct Sales does not work fully sufficient?

- No – Fully sufficient (fully satisfaction)
- Yes – Little potential for improvement (little dissatisfaction)
- Yes – Mid potential for improvement (mid dissatisfaction)
- Yes – High potential for improvement (high dissatisfaction)
- Yes – Complete potential for improvement (complete dissatisfaction)

Q12. Please name situation or process of dissatisfaction?

Q13. If you are working with a Sales Agent which advantages do you expect? Name your examples:

Q14. Please rank examples of advantages (a. on top most important; each priority ranking can only be chosen one time):

- a. Good network & market overview
- b. Optimum component Price/ Technology/ Quality ratio
- c. Value improvement (more profit) as a service
- d. Understanding of technology, future trends (technical support)
- e. High presence at Customer & Supplier (Agents office central located)
- f. Supporting forecasts
- g. Transport & Logistics as a service
- h. System/ Module supply (fully assembled)

Q15. Usually different single parts are produced by different suppliers. If a Sales Agent is able to supply all required products of an assembly (complete assembled system e.g. wishbone with ball joint) how would you rate this?

- Positive
- Neutral
- Negative

Q16. If a Sales Agent offers additionally services beside Sales (e.g. supplier development, forecasting, transport & logistics, Project management) how would you rate this?

- Positive

- Neutral
- Negative

Q17. Assume you receive an added value or total cost of ownership (TCO) are less by using Sales Agent services. Considering costs of Sales Agent: Choose one of the statements you agree:

- Only paying for the product itself. The Sales Agent receives a commission from supplier (principal)
- Beside paying for the product. If the advantage of an additionally service is valuable I would also pay for the service (e.g. Services added value or TCO are less)
- Even if Services added value or TCO are less, no willingness to pay for those services

Q18. Do you consider working with a Sales Agent in future?

- Yes
- No

Q19. Input to improve this survey or business case:

3.7.3 Result

Q1. Your Company is an (more choices possible):

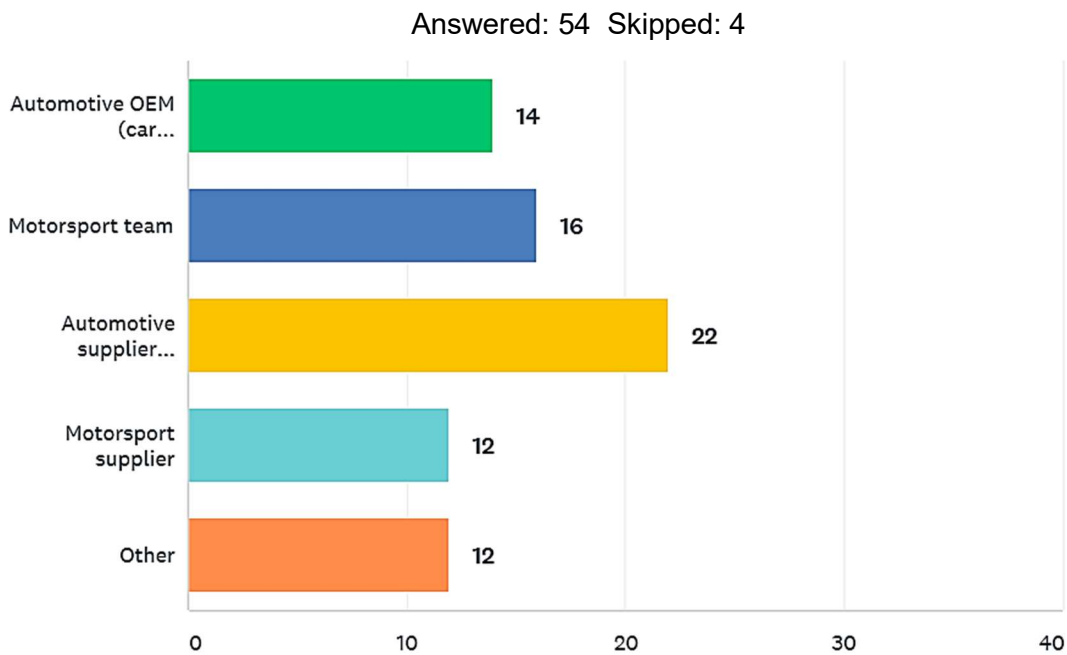


Table 7: Result Q1 Sales Agent Survey [Export Data SurveyMonkey.com]

Q2 Your position?

Answered: 54 Skipped: 4

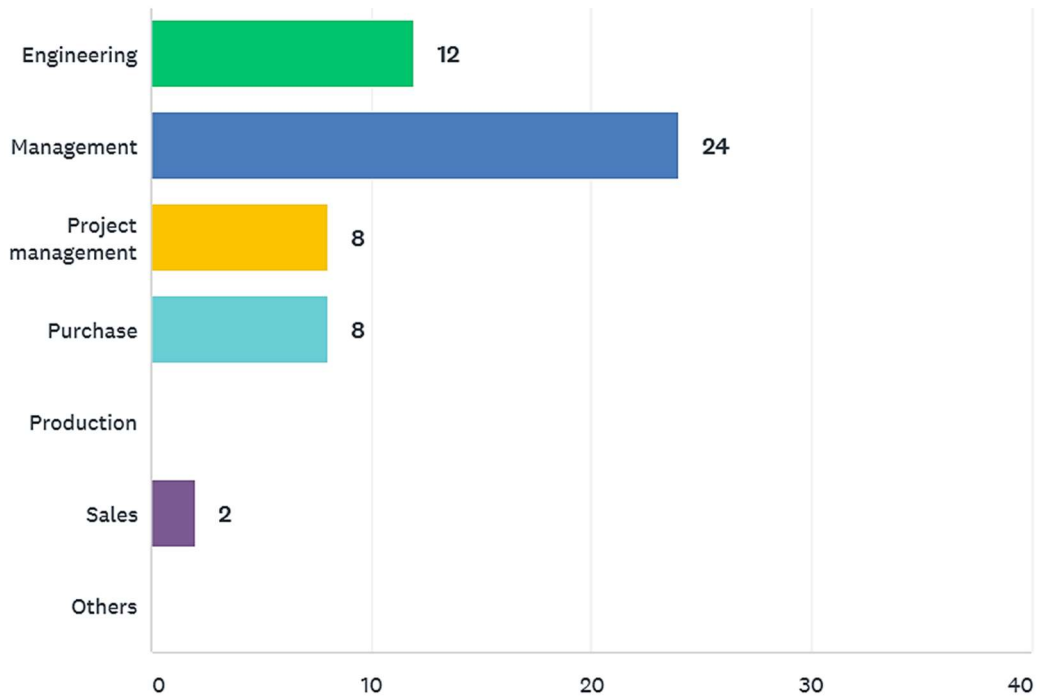


Table 8: Result Q2 Sales Agent Survey [Export Data SurveyMonkey.com]

Q3. With whom do you have a business relationship (more choices possible):

Answered: 54 Skipped: 4

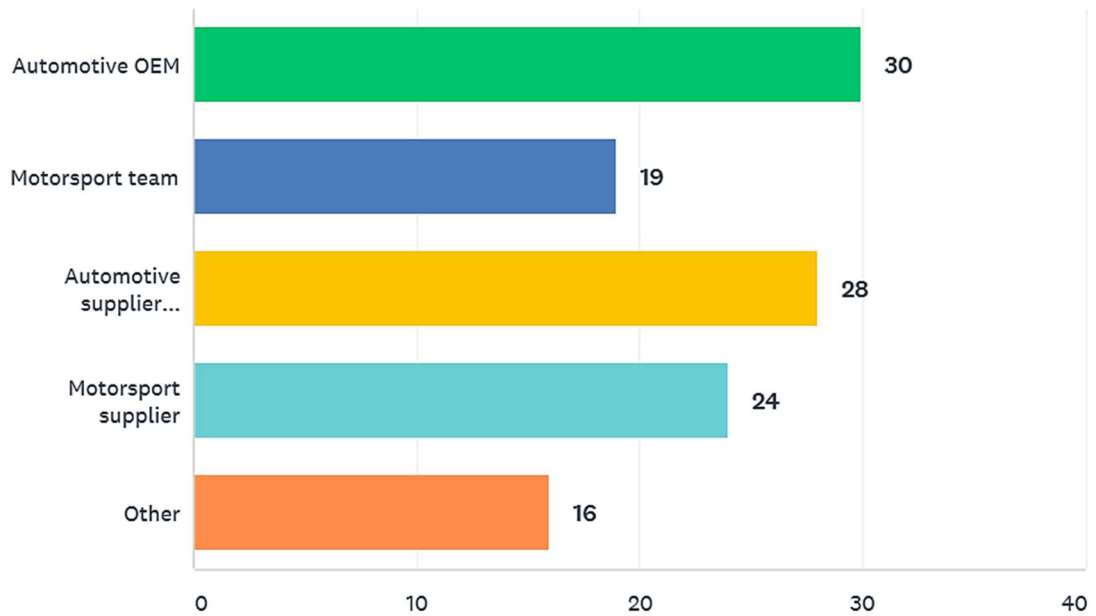


Table 9: Result Q3 Sales Agent Survey [Export Data SurveyMonkey.com]

Q4. Your dialog partners position you are dealing with (more choices possible):

Answered: 54 Skipped: 4

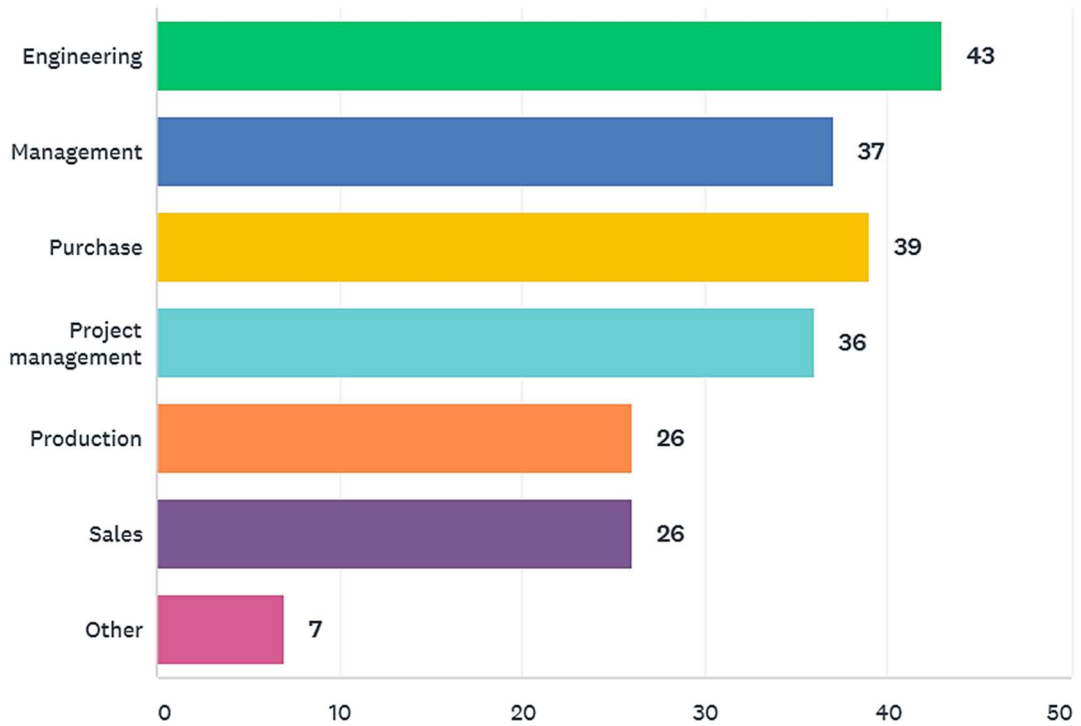


Table 10: Result Q4 Sales Agent Survey [Export Data SurveyMonkey.com]

Q5. Do you have experience working with a Sales Agent in the Automotive & Motorsport Industry?

Answered: 54 Skipped: 4

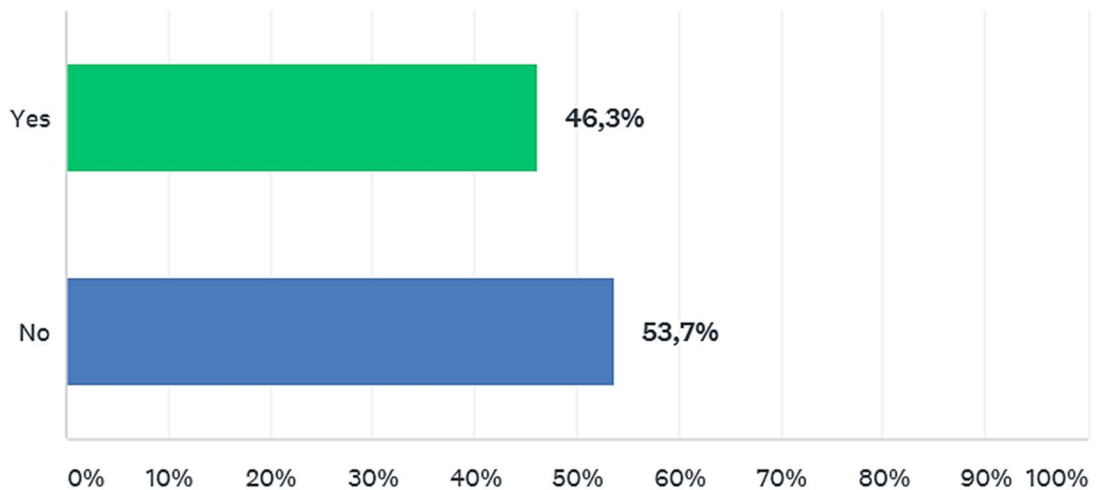


Table 11: Result Q5 Sales Agent Survey [Export Data SurveyMonkey.com]

Q6. If yes what kind of experience?

Answered: 20 Skipped: 38

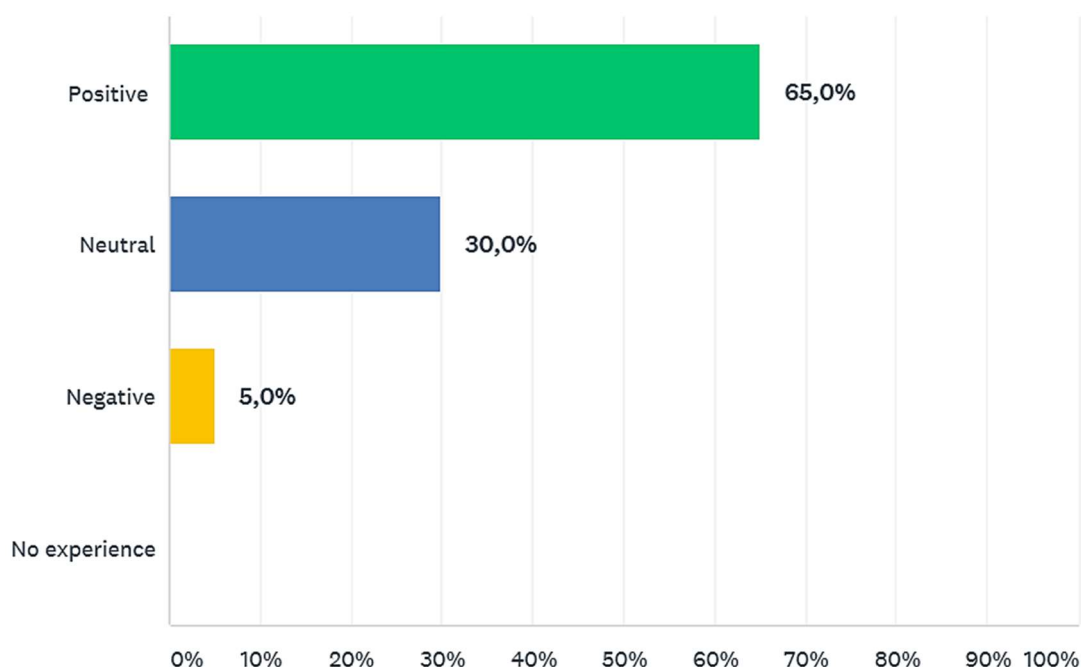


Table 12: Result Q6 Sales Agent Survey [Export Data SurveyMonkey.com]

Q7. What are the biggest challenges or risks working with a Sales Agent in your opinion?

Answered: 45 Skipped: 13

No.	Answer	Date
45	Trustworthiness. There is a risk of the sales agent becoming dependent of a certain supplier	08.08.2018
44	Knowledge transfer on the one hand and lack of particular knowledge on the other	07.08.2018
43	Loss of information because there is an additional contact	07.08.2018
42	That he will be always up to date with the latest and important info that might be needed to offer the best deal. In addition, that he will lose business or contracts because of any reason which might not be related to the job directly (private stuff without having a backup)	31.07.2018
41	Propose and support only the supplier which are giving more revenues	29.07.2018

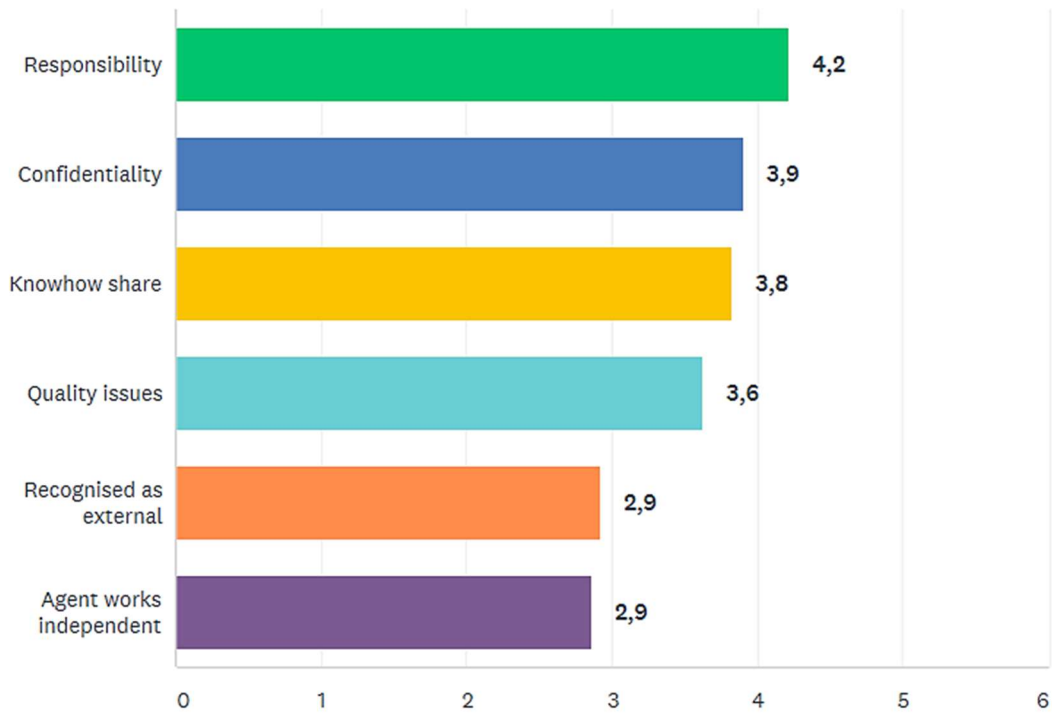
40	Losing direct contact to the customer, losing 3-4% margin, becoming dependent from an external person, not knowing if the external sales agent is representing my interests as he is not an exclusive agent	27.07.2018
39	To find common understanding of topics which we solve	27.07.2018
38	Ability to influence manufacturing when issues/lateness of parts occur plus up to date delivery schedules	27.07.2018
37	Trust & Credibility	26.07.2018
36	That he tries to push one supplier instead of another to maximize his gain. That he doesn't have the in-depth knowledge of every supplier represented.	26.07.2018
35	Leaving the target	25.07.2018
34	The only risk I see is confidentiality	24.07.2018
33	Costs	23.07.2018
32	Confidentiality follow ups, complaints	23.07.2018
31	Sales agents might change over time, if so you miss the true connection with the supplier	23.07.2018
30	Customer control	21.07.2018
29	Trust	21.07.2018
28	Inclusion in NDA agreement between companies	20.07.2018
27	Too far away from customers engineering and business	20.07.2018
26	Confidentiality	20.07.2018
25	Communication and time investment	20.07.2018
24	He doesn't have a full understanding of our potential and doesn't have a direct relationship, he can only be used as market search or first contact	20.07.2018
23	If there are too many suppliers and customers in his portfolio, he might not be able to give proper support when problem will occur	20.07.2018
22	If the target of the agent and the company is not the same.	20.07.2018
21	Lack of in-depth knowledge of a particular field. Delays in speaking directly to the supplier. How is there any added value?	19.07.2018
20	The sales agent works for another tier 1 supplier and is therefore not 100% aligned to your brand	19.07.2018
19	Reliability and trustworthiness	18.07.2018
18	Getting quality info in time, as people are normally traveling as well	18.07.2018

17	Not independent	17.07.2018
16	Enough Know how available	17.07.2018
15	Agent is only the messenger to the supplier, less influence than direct sales	17.07.2018
14	Price and lead time	17.07.2018
13	Unstable job position, often person change	16.07.2018
12	Agent do not have a deep insight of the company's structure, R&D and strategies	16.07.2018
11	Challenge: having best access to the customers to get at the earliest the necessary business information. Risk: more and more customers want to deal directly with the suppliers to save money	16.07.2018
10	Not be linked to a specific company	16.07.2018
9	Solvency of the sales agent; does he get access to all info / best products by the manufacturer	20.06.2018
8	To do not keep experience in house and an agent can't be that active to implement the manufacturing time into the delivery time effectively	20.06.2018
7	No trust in a Sales Agent	19.06.2018
6	To increase the trust in the Sales Agent according to the output you will generate starting with SOP	19.06.2018
5	Miscommunication / alignment between different departments @supplier and agent leading to delays	18.06.2018
4	To be sure that agent is technical enough prepared	31.05.2018
3	Enough Know how available?	31.05.2018
2	IP, tracking of opportunities, compliancy or consensus with the company's strategy and customer approach	03.05.2018
1	Too slow, not getting best offer	02.05.2018

Table 13: Result Q7 Sales Agent Survey [Export Data SurveyMonkey.com]

Q8. Please rank examples of challenges (a. on top most important; each priority ranking can only be chosen one time):

Answered: 44 Skipped: 14



	1	2	3	4	5	6	TOTAL	SCORE
Responsibility	24.39% 10	19.51% 8	24.39% 10	21.95% 9	4.88% 2	4.88% 2	41	4.22
Confidentiality	23.26% 10	16.28% 7	23.26% 10	16.28% 7	6.98% 3	13.95% 6	43	3.91
Knowhow share	22.50% 9	15.00% 6	22.50% 9	12.50% 5	17.50% 7	10.00% 4	40	3.83
Quality issues	10.00% 4	30.00% 12	15.00% 6	15.00% 6	17.50% 7	12.50% 5	40	3.63
Recognised as external	5.00% 2	12.50% 5	12.50% 5	25.00% 10	30.00% 12	15.00% 6	40	2.92
Agent works independent	16.67% 7	11.90% 5	7.14% 3	7.14% 3	19.05% 8	38.10% 16	42	2.86

Table 14: Result Q8 Sales Agent Survey [Export Data SurveyMonkey.com

Q9. Is a value improvement for your company a good reason to start working with a Sales Agent (e.g. making more profit by buying for less or selling for more money)?

Answered: 44 Skipped: 14

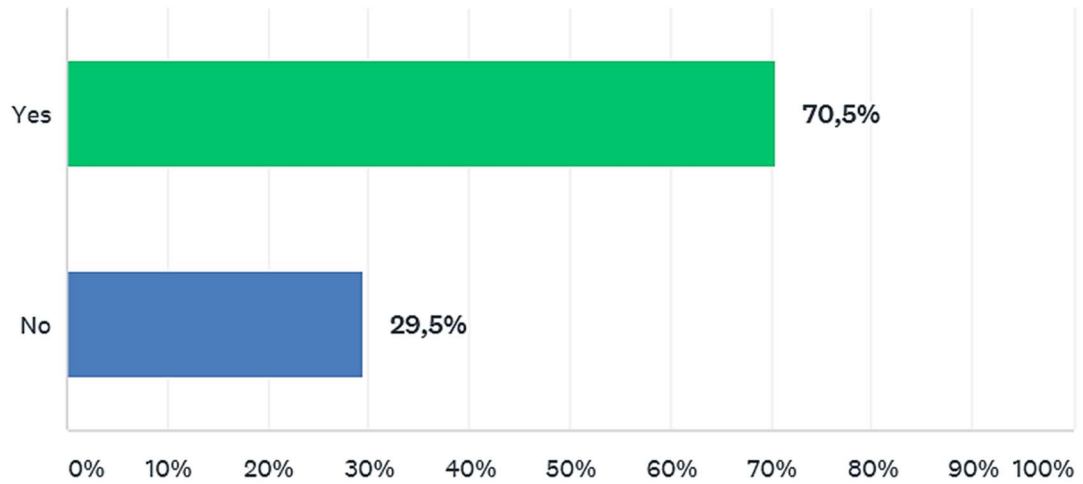


Table 15: Result Q9 Sales Agent Survey [Export Data SurveyMonkey.com]

Q10. Is a value improvement for your company in context of Performance, Design or Innovation a good reason start working with an Sales Agent (will give input on technology and future trends)?

Answered: 44 Skipped: 14

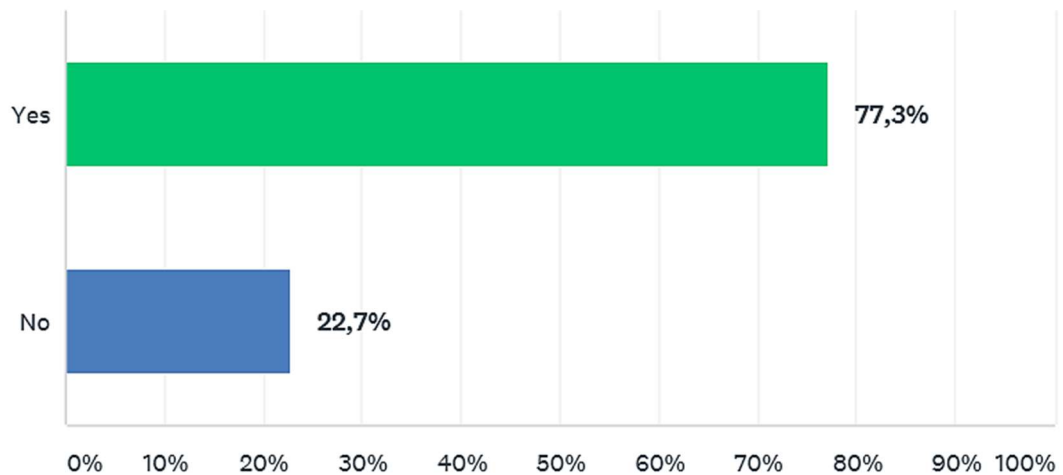
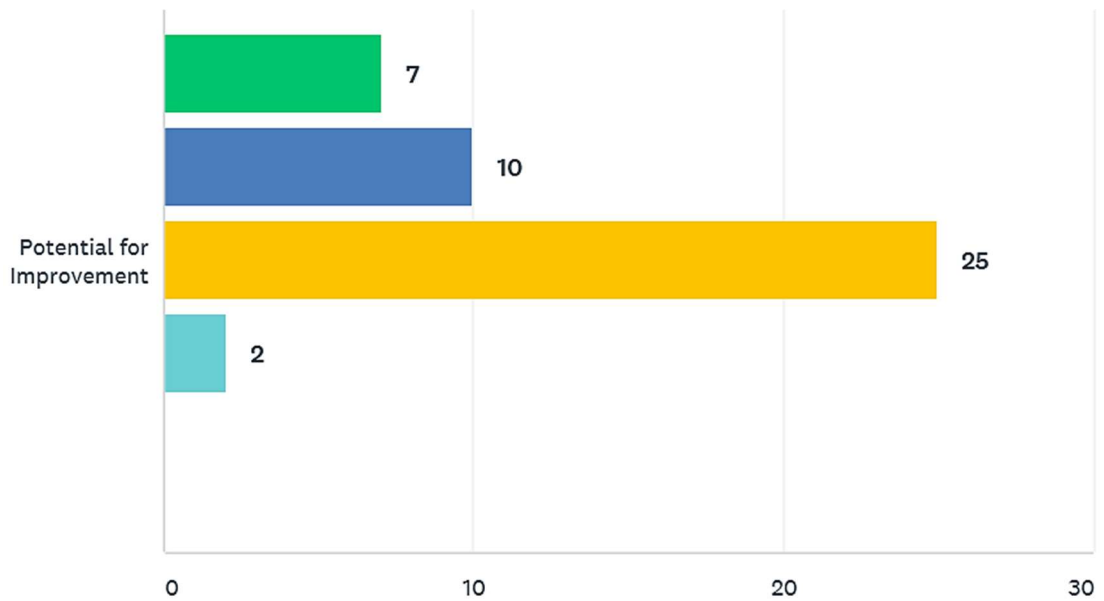


Table 16: Result Q10 Sales Agent Survey [Export Data SurveyMonkey.com]

Q11. Are there any situations where direct Sales does not work fully sufficient?

Answered: 44 Skipped: 14



- No - Fully sufficient (fully satisfaction)
- Yes - Little potential for improvement (little dissatisfaction)
- Yes - Mid potential for improvement (mid dissatisfaction)
- Yes - High potential for improvement (high dissatisfaction)
- Yes - Complete potential for improvement (complete dissatisfaction)

Table 17: Result Q11 Sales Agent Survey [Export Data SurveyMonkey.com]

Q12. Please name situation or process of dissatisfaction?

Answered: 33 Skipped: 25

No.	Answer	Date
33	Operational blindness	08.08.2018
32	Communication	07.08.2018
31	Direct sales not necessarily need to "look over the edge of the plate". Means if an independent sales guy wants to perform and differentiate as well as to give a competitive advantage to the customer, he needs to have much more knowledge about the industry trends, competition and what's going on in the market. In addition, for big companies, you can setup individual targets with the independent sales which are not needed to be compliant with the own direct sales ones	31.07.2018

30	Delivery, price;	29.07.2018
29	As direct sales people are more or less paid on a fixed salary basis the incentive to push turnover is not big enough	27.07.2018
28	Keeping agreed deadlines	27.07.2018
27	Limits on products and services directly related to company which might not be best for situation or in market	26.07.2018
26	Long lead time for big companies, also in email answers.	26.07.2018
25	No improvement on the service provided	24.07.2018
24	Implementation in the own organisation	23.07.2018
23	Diversity	23.07.2018
22	If sales agent is independent, then you miss the link	23.07.2018
21	Trust / Sales Commission	21.07.2018
20	May slow process down	20.07.2018
19	In case of a not enough suppliers market, I can face monopoly situation, and possibility to not improve the situation	20.07.2018
18	Networking sometimes is not good enough	20.07.2018
17	Not sure what this question means	19.07.2018
16	Provide the right engineering support	19.07.2018
15	Slow response sometimes, "only" company internal knowhow available	18.07.2018
14	Can't deliver the right product	17.07.2018
13	Ignoring not sufficient availability of capacity	17.07.2018
12	Thinking outside the box	17.07.2018
11	Non-working solution	17.07.2018
10	Bad results with suppliers	16.07.2018
9	Direct sales it is focused on own company business, where there could be better cost-effective opportunities around	16.07.2018
8	To get involved too late into new product developments	16.07.2018
7	None	16.07.2018
6	Direct Sales only cover products of one supplier; often you want to be able to "pick" / have larger choice	20.06.2018
5	Buying items from manufactures who has national sales Agents	19.06.2018
4	At least the sales agent is working on his own invoice	19.06.2018
3	Negotiation timeline / monopoly situations	18.06.2018

2	Ignoring not sufficient availability of capacity	31.05.2018
1	Sales might only focus on their direct product which they are responsible for. In addition, a sales agent might act more entrepreneurial, which might give more business opportunities	03.05.2018

Table 18: Result Q12 Sales Agent Survey [Export Data SurveyMonkey.com]

Q13. If you are working with a Sales Agent which advantages do you expect? Name your examples:

Answered: 43 Skipped: 15

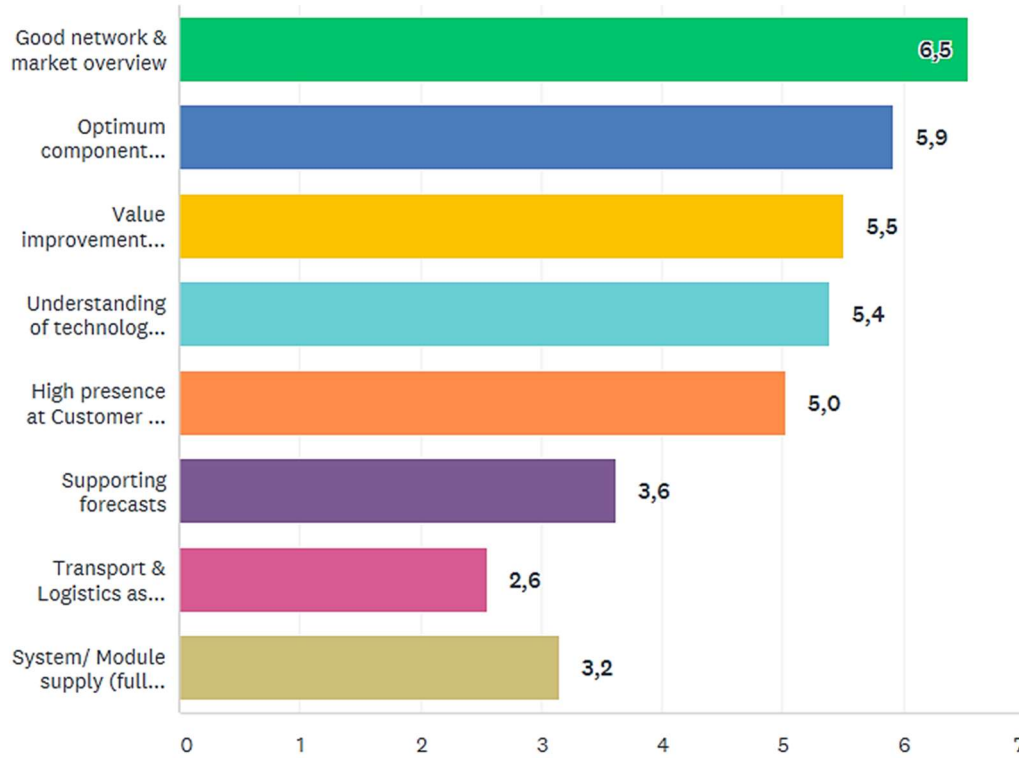
No	Answer	Date
43	Best price and quality from different suppliers	08.08.2018
42	Expanding sales power	07.08.2018
41	Only one contact for more areas / suppliers	07.08.2018
40	As above: More knowledge and info about the industry; work on system sell (not only one component selling, combine products); create a broader network to position my products in the market	31.07.2018
39	Complete solution involving different supplier in one go	29.07.2018
38	Highest margin and turnover improvement. But I am not sure enough that competitors would pay a higher agent fee in order to get the business	27.07.2018
37	Personal contact and possibility to solve problems in close cooperation	27.07.2018
36	Capacity availability/problem solving	27.07.2018
35	Broader offering, best of breed, more personal involvement and higher stakes thus higher motivation to please and support	26.07.2018
34	One source for a bigger database, it can save time while searching for parts/solutions.	26.07.2018
33	Trust	25.07.2018
32	To work with Agent who can deal with a pool of suppliers, and who can be able to suggest the best choice for each request	24.07.2018
31	Cost advantages	23.07.2018
30	Diversity, cost, innovation	23.07.2018
29	Number of customer	21.07.2018
28	Know How	21.07.2018

27	Detailed understanding of multiple company's strengths (Wide range of RP companies & seal companies out there)	20.07.2018
26	More (frequent) sales contacts	20.07.2018
25	Technical knowhow	20.07.2018
24	Speed of delivery	20.07.2018
23	Increase sales!	20.07.2018
22	Access to larger base of suppliers	20.07.2018
21	Very good market overview	20.07.2018
20	Access to a greater number of suppliers. Knowledge of which suppliers can provide the best products	19.07.2018
19	Covers both sales and engineering support	19.07.2018
18	More input from other or similar business applications	18.07.2018
17	Independence	17.07.2018
16	Independent, objective, better knowledge of market	17.07.2018
15	Additional sales, market input	17.07.2018
14	Solving delivery problems by himself	17.07.2018
13	Fast process with suppliers, good network	16.07.2018
12	Market Know-how, best cost-benefit ratio, direction of development of competitors	16.07.2018
11	Better access to the customers, find new potential customers, benefit from the technical knowhow of the sales agent	16.07.2018
10	Information's on market trends	16.07.2018
9	Knows industry best breed not only products of one supplier; can act as trusted advisor; shares industry background information	20.06.2018
8	To cover capacity problems within the direct sales department	20.06.2018
7	That a sales Agent has more Information about the product than the catalogue	19.06.2018
6	A great network in the section	19.06.2018
5	Bundled knowledge	18.06.2018
4	I don't think we'll work in short future with sales agent	31.05.2018
3	Independent, objective, better knowledge of market	31.05.2018
2	Also looking "outside the box" beside the direct product to identify further business. Get insight on competition (within allowed info and regulations) and in addition act proactive and not reactive; detailed market know how and insight	03.05.2018
1	Best price	02.05.2018

Table 19: Result Q13 Sales Agent Survey [Export Data SurveyMonkey.com]

Q14. Please rank examples of advantages (a. on top most important):

Answered: 45 Skipped: 13



	1	2	3	4	5	6	7	8	TOTAL	SCORE
Good network & market overview	45.00% 18	15.00% 6	20.00% 8	5.00% 2	7.50% 3	2.50% 1	0.00% 0	5.00% 2	40	6.53
Optimum component Price/ Technology/ Quality ratio	24.32% 9	27.03% 10	13.51% 5	8.11% 3	10.81% 4	10.81% 4	5.41% 2	0.00% 0	37	5.92
Value improvement (more profit) as a service	2.78% 1	22.22% 8	27.78% 10	27.78% 10	8.33% 3	11.11% 4	0.00% 0	0.00% 0	36	5.50
Understanding of technology, future trends (technical support)	9.76% 4	19.51% 8	19.51% 8	24.39% 10	14.63% 6	4.88% 2	4.88% 2	2.44% 1	41	5.39
High presence at Customer & Supplier (Agents office central located)	17.95% 7	12.82% 5	7.69% 3	15.38% 6	20.51% 8	17.95% 7	2.56% 1	5.13% 2	39	5.03
Supporting forecasts	9.76% 4	2.44% 1	7.32% 3	2.44% 1	12.20% 5	36.59% 15	21.95% 9	7.32% 3	41	3.61
Transport & Logistics as a service	0.00% 0	4.76% 2	7.14% 3	4.76% 2	9.52% 4	2.38% 1	38.10% 16	33.33% 14	42	2.55
System/ Module supply (fully assembled)	2.56% 1	5.13% 2	7.69% 3	12.82% 5	12.82% 5	12.82% 5	12.82% 5	33.33% 13	39	3.15

Table 20: Result Q14 Sales Agent Survey [Export Data SurveyMonkey.com]

Q15. Usually different single parts are produced by different suppliers. If a Sales Agent is able to supply all required products of an assembly (complete assembled system e.g. wishbone with ball joint) how would you rate this?

Answered: 45 Skipped: 13

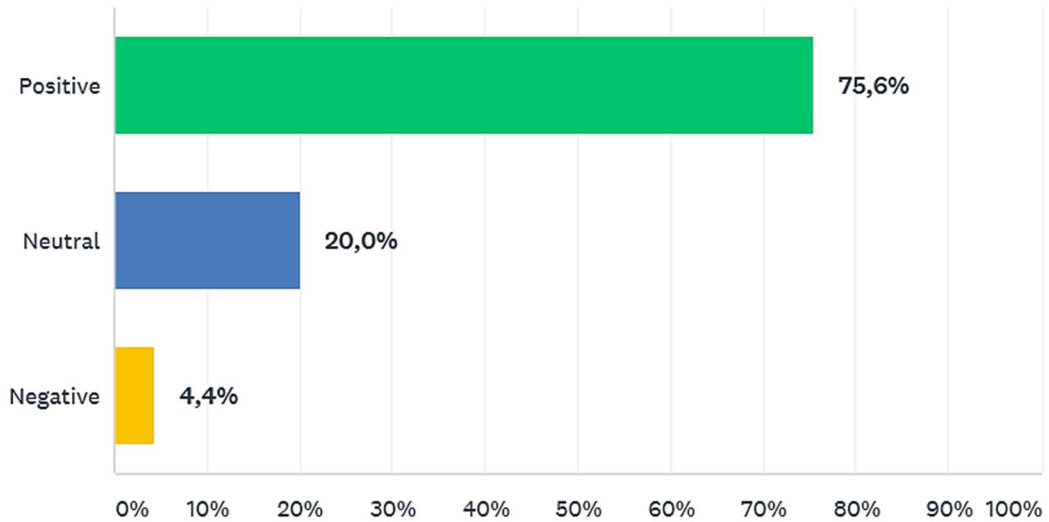


Table 21: Result Q15 Sales Agent Survey [Export Data SurveyMonkey.com]

Q16. If a Sales Agent offers additionally services beside Sales (e.g. supplier development, forecasting, transport & logistics, Project management) how would you rate this?

Answered: 45 Skipped: 13

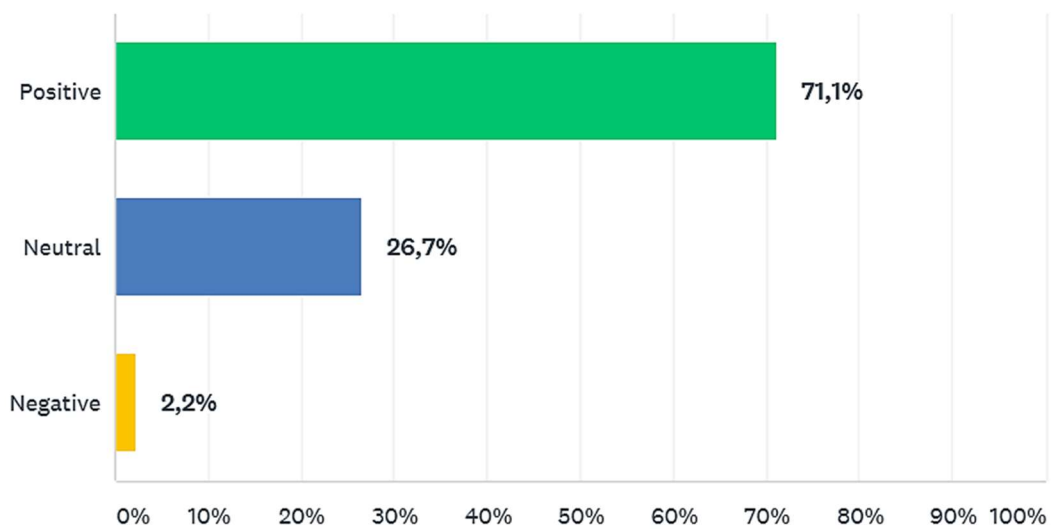


Table 22: Result Q16 Sales Agent Survey [Export Data SurveyMonkey.com]

Q17. Assume you receive an added value or total cost of ownership (TCO) are less by using Sales Agent services. Considering costs of Sales Agent: Choose one of the statements you agree:

Answered: 40 Skipped: 18

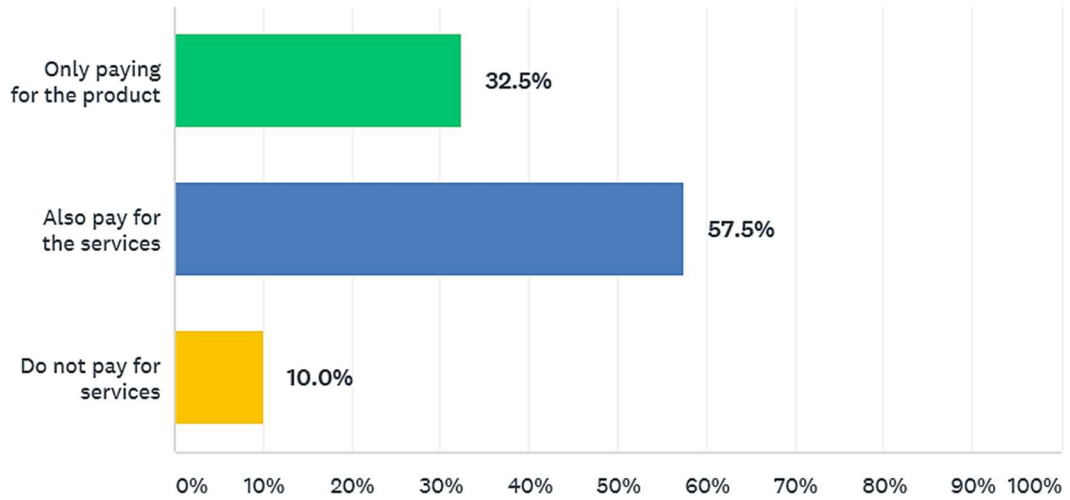


Table 23: Result Q17 Sales Agent Survey [Export Data SurveyMonkey.com]

Q18. Do you consider working with a Sales Agent in future?

Answered: 44 Skipped: 14

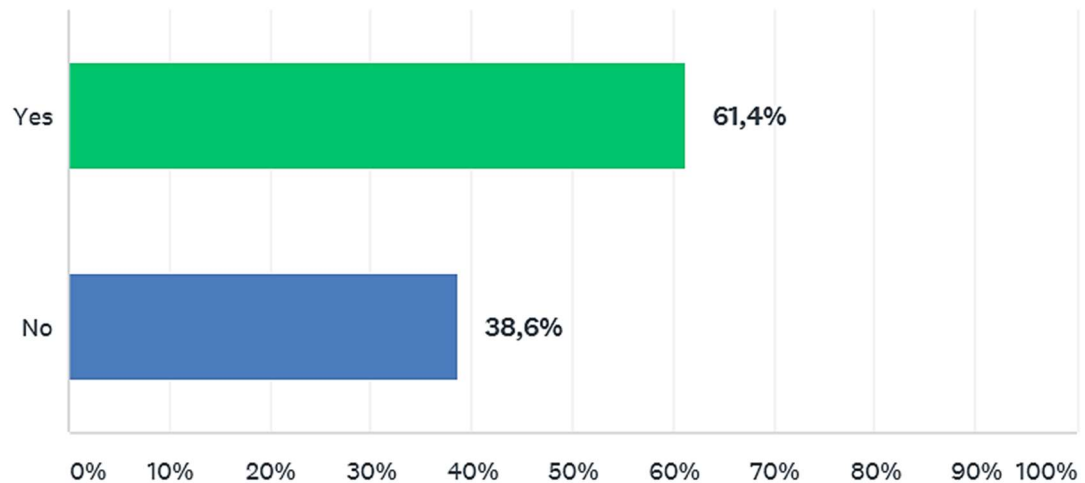


Table 24: Result Q18 Sales Agent Survey [Export Data SurveyMonkey.com]

Q19. Input to improve this survey or business case:

Answered: 3 Skipped: 55

No	Answer	Date
3	As the sales agent is not constrained by a single company product/service line there is opportunity to bring all his clients together regardless of vendor affiliation for additional synergies, networking, and acting as service broker for the used component market	26.07.2018
2	The questions are not entirely clear and the answers will depend on the type of customer. For a large customer with fully developed purchase department the service may not hold much value (unless they are just lazy!). For a small independent customer without in-house resource it could be extremely useful.	19.07.2018
1	Sales Agent could be of great positive impact on small organizations trying to make the big step and benefiting from the experience of the Sales Agent	16.07.2018

Table 25: Result Q19 Sales Agent Survey [Export Data SurveyMonkey.com]

3.7.4 Data analysis Survey

Target survey population:

100 professionals within the Automotive & Motorsport Industry were invited to participate the survey and just a little number from other Industries (for example semiconductor Industries).

Responsibilities of people have been mixed as coming from Engineering, Management, Purchase, Purchase, Project management, Production and Sales.

Response rate:

The achieved total response rate has been 58% until the survey was closed after 4-8 weeks' time after sending first invitation (target >50%). Of course, in between some reminders were send. Spam filters especially of larger companies make it sometimes quite difficult to get through.

Some questions have been skipped from some participants, therefore number of answers is not the same through the survey.

Data analysis involves summarizing the data and interpreting their meaning in a way that gives answers to questions that initiated the survey.

Non-probability sampling as a very efficient way of selecting units from the population (contact list) has been used for this survey. Here we assume that the sample is representative for the target population. Obviously, this is a risk having a representative selection which is not analysed or proven here.

Company segments of participants which completed survey (more segments of each participant possible):

Segment	Number of participants	Percentage
Automotive OEM (car manufacturer)	14	18,4%
Motorsport team	16	21,1%
Automotive supplier	22	28,9%
Motorsport supplier	12	15,8%
Other	12	15,8%
Sum	76	100%

Table 26: Company segments of participants [own table]

Working segments of participants which completed survey:

Segment	Number of participants	Percentage
Engineering	12	20,7%
Management	24	41,4%
Purchase	8	13,8%
Project management	8	13,8%
Production	0	0,0%
Sales	2	3,4%
Other	0	0,0%
Skipped question (no input)	4	6,9%
Sum	58	100%

Table 27: Working segments of participants [own table]

Highest involvement with 41,4% on this survey has been Management. Followed by Engineering with 20,7% and Purchase together with Project management with 13,8% each. Nobody from Production completed this survey.

How many participants (from which segment) have got experience with a Sales Agent?

Segment	Yes	Percentage	No	Percentage
Automotive OEM (car manufacturer)	8	57,1%	6	42,9%
Motorsport team	11	68,8%	5	31,2%
Automotive supplier	7	31,8%	15	68,2%
Motorsport supplier	5	41,7%	7	58,3%
Other	6	50,0%	6	50,0%
Sum	37	48,7%	39	51,3%

Table 28: Experience with Sales Agent by Industry [own table]

Out of the survey on the customer side 57,1% of OEMs and 68,8% of Motorsport teams have got experience with an Sales Agent. On the supplier side it is less as just 31,8% of Automotive suppliers and 41,7% of Motorsport suppliers have got experience. The total figure in this table 28 of 48,7% with experience differs from the table 11 result with 46,3% as more choices of Industry segments were possible from participants (different data base here).

Segment	Yes	Percentage	No	Percentage
Engineering	6	50,0%	6	50,0%
Management	10	41,7%	14	58,3%
Purchase	6	75,0%	2	25,0%
Project management	3	37,5%	5	62,5%
Production	0	-	0	-
Sales	0	0,0%	2	100,0%
Other	0	-	0	-
Sum	25	46,3%	29	53,7%

Table 29: Experience with Sales Agent by working segment [own table]

50,0% of engineers have got experience and 41,7% of management. Purchase shows a highest figure with 75,0% which have got experience, project management lowest figure with 37,5%.

Challenges & Risks – Q7 Survey answers word cloud:



supplier		22,22%	10
sales agent		15,56%	7
customer		13,33%	6
time		11,11%	5
companies		11,11%	5
agent		11,11%	5
Trust		8,89%	4
best		8,89%	4
will		6,67%	3
knowledge		6,67%	3

Table 30: Challenges & Risks – Q7 Survey answers word cloud [Export Data SurveyMonkey.com]

Table 30 describes the words that were most often used from participants answering question about challenges & risks working with a Sales Agent. 22,2% of all survey responses contain the word “supplier”.

Some examples of responses in context about challenges & risks working with Sales Agent who deals with suppliers were: becoming dependent of a certain supplier, propose and support only for the supplier which are giving more revenues, do not have the in-depth knowledge of every supplier represented, Sales Agent might change over time – if so you miss true connection with the supplier, delays not speaking directly to supplier, only messenger to supplier, dealing directly with supplier to save money and miscommunication with supplier.

Advantages – Q13 Survey answers word cloud:



sales		20%	9
suppliers		17,78%	8
market		17,78%	8
best		15,56%	7
products		11,11%	5
knowledge		11,11%	5
one		11,11%	5
agent		11,11%	5
know		11,11%	5
better		11,11%	5

Table 31: Advantages – Q13 Survey answers word cloud [Export Data SurveyMonkey.com]

Table 31 describes the words that were most often used from participants answering question about advantages working with a Sales Agent. The word “Sales” was most often used in context with “Sales” Agent. 17,8% out of all survey responses contain the word “supplier”.

Some examples of responses in context with advantages of working with Sales Agent who deals with suppliers were: access to a bigger number of suppliers, knowledge of which supplier can provide the best product, knows industry best breed and not only products of one supplier, fast process with suppliers, to work with Agent who can deal with pool of suppliers, complete solution involving different suppliers, only one contact for more suppliers and best price and quality from different suppliers.

Sales Agent Services and Advantages were prioritised (ranking) as follows (on top most important): 1. Good network & market overview, 2. Optimum component price, 3. Value improvement, 4. Technology & future trends, 5. High presence at customer, 6. Supporting forecasts 7. System supply 8. Transport & logistics.

Although some of offered services as supporting forecasts and transport & logistics have been ranked by survey as not that important, those services might give a lot of potential in general business life.

Number of participants who considers working with a Sales Agent in future and who doesn't (participants who skipped question not included)?

Segment	Yes	Percentage	No	Percentage
Automotive OEM (car manufacturer)	5	50,0%	5	50,0%
Motorsport team	9	69,2%	4	30,8%
Automotive supplier	11	61,1%	7	38,9%
Motorsport supplier	6	50,0%	6	50,0%
Other	6	60,0%	4	40,0%
Sum	37	58,7%	26	41,3%

Table 32: Willing to work with Sales Agent in future by Industry [own table]

As shown in table 32 Motorsport teams as Automotive suppliers are the biggest groups which consider working with a Sales Agent in future.

Total figure in this table 32 of 58,7% who consider working with a Sales Agent in future differs from the table 24 result with 61,4% as more choices of Industry segments were possible from participants (different data base here).

Segment	Yes	Percentage	No	Percentage
Engineering	7	70,0%	3	30,0%
Management	13	65,0%	7	35,0%
Purchase	4	66,7%	2	33,3%
Project management	2	33,3%	4	66,6%
Production	0	-	0	-
Sales	1	50,0%	1	50,0%
Other	0	-	0	-
Sum	27	61,4%	17	38,6%

Table 33: Willing to work with Sales Agent in future by working segment [own table]

3.8 Market, Targeting, Positioning

3.8.1 Market

Automotive street car segments differentiation for this business case (customers):

- Highest Price segment – Hypercar
- Medium Price segment – Supersportscar
- Medium-Low Price segment - Sportscar
- Low Price segment - Standard Road car

Even hypercars are sold for more than 1 Mio. EUR, producers like Bugatti or Pagani are forced to reduce component costs. Unbelievable that this market is still growing with such a lot of potential.

According to Technavio (technology research and advisory company) the Global hypercar market is expected to grow at a CAGR of over 37% from 2017-2021. Siddharth Jaiswal, a lead analyst from Technavio, specializing in research on automotive manufacturing sector, says, “The automotive industry has seen significant demand for hypercars by racing car manufacturers such as Ferrari, Porsche, Automobili Lamborghini, and Bugatti, which has resulted in growth in volume sales for these extreme machines. In addition, the development of performance enhancing systems and active aerodynamics is further fuelling the growth of the global hypercar market.”⁶⁸

Supersportcars are sold somewhere around 0.5 Mio EUR and annual production numbers are already much higher. Most often producers like Ferrari using same cost reasonable components for those cars as used for lower segment models.

Sportscars annual production numbers are already very high and component production cost are not that far away from standard road car segment (very difficult market).

Motorsport market for this business case (customers):

- Highest Price segment – Formula 1, WEC
- Medium Price segment – GT-Series, DTM

⁶⁸ <https://www.businesswire.com/news/home/20170614005964/en/Hypercar-Market-Expected-Exceed-CAGR-37-2021> - by Business Wire 14.06.2017 - accessed date 12.08.18

- Low Price segment – F2, F3, TCR

Within the highest price segment the focus always is on technology and quality. The lower categories business is very cost driven and requirements are on a lower level.

Suppliers:

There are various suppliers of mechanical components in the Automotive and Motorsport Industry.

Because of company structure and philosophy, suppliers cannot cover higher and lower price segments, therefore it is unlikely that one single supplier is strong in all areas.

Sales Agent can cover all segments and will offer optimum Price/ Technology/ Quality ratio to the customers.

Sub-suppliers (Tiers) to be able to supply complete systems:

One of the USP for this business case evaluated, has been to supply complete systems to the customer. Therefore, long partnerships with various sub suppliers necessary.

Ideally components are assembled at the supplier and shipped as a complete system. If that is not possible its still an option that the Sales Agent takes care about all necessary parts which will be assembled at the customer.

3.8.2 Targeting

Target market are Suppliers of mechanical components and car Industry customers (existing and new Automotive street car production & race car Motorsport buyers).

For this business case the focus will be central Europe for suppliers which having business in all price segments.

On the Automotive customer market focus will be the Medium-Low, Medium and Highest price segment (Sports car up to Hypercar) and not the standard road car business.

Regarding motorsports customers there is no limitation on the car racing market planned for this business case. Probably central European customers will be priority first with high presence at customers and suppliers.

3.8.3 Positioning

Business case position will be to supply services to Customers (Buyers) and Suppliers, where both parties will gain value from Sales Agent (third party). Long experience with high reputation of Sales Agent beside central located office between customers and suppliers incl. high presence will enable Customer & Supplier satisfaction.

Complete system supply (covering parts from sub-suppliers) and the service to evaluate Optimum Price/ Technology/ Quality ratio are offered.

3.9 Services

Sales usually represents only the Supplier, but in real life to make successful business both ends requirements (Supplier & Customer needs) have to be covered with Sales services.

Some Services could be expressly named and invoiced to the customer, some services are covered by usual business (in fact by sales salary or commission from Agent).

Sales Agent offers services to suppliers (principal):

- > Business development
- > Market potential analysis
- > Material Forecast
- > Optimization Price/ Technology/ Quality ratio
- > Preparation QAFs (quotation analysis form requested by OEMs)
- > Project management
- > Selling products
- > System/ Module supply

Sales Agent offers services to buyers (customers):

- > Delivery control & satisfaction
- > Forecasting
- > Optimization Price/ Technology/ Quality ratio
- > Project management
- > Supplier development
- > Supplier market analysis

- > System/ Module supply development (all in one package)
- > Technical support
- > Total cost of ownership (TCO)
- > Transport & Logistics

4 Conclusion

To sum up the results, a Sales Agent business case is very interesting and extremely useful for small independent companies with a lack of internal resources. Small organizations which are planning to make a big step forward can gain benefit from the experience of the Sales Agent. To deal with a Sales Agent could be great positive impact for those companies.

For larger companies (big Automotive OEMs) with fully developed departments and effectively employing staff that covers all things offered, the service of a Sales Agent offers less value. There is always the argument 'lack of resources', where it may be convenient for them to outsource work to external. All over 61,4% of survey sample population consider working with a Sales Agent in future.

Many business people are not fully satisfied with direct Sales, so there is a lot of potential to improve performance with a Sales Agent.

Confidentiality and lack of communication (with suppliers) are the biggest challenges of a Sales Agent from customer view. Crucial aspect is the access to all internal and necessary information as well as the deep insight into company structure.

Initially the business case has been defined as a Sales Agent offers his personally services only to suppliers. During work on this Thesis the business case has been modified that Sales Agent services not only offered to Suppliers (principal). The services are also offered to customers (buyers) in the same market & industry.

Although some of offered services as supporting forecasts and transport & logistics have been ranked by survey as not that important, those services might give a lot of potential in general business life. Especially in case of delivery a complete system (assembly) with a lot of different sub-suppliers, this will be handled from the Sales Agent. There will be only one contact for more areas / suppliers which makes it much more convenient for the customer (buyer).

The Sales Agent will provide access to a large number of suppliers with knowledge of which suppliers can provide the best products. The Agent can solve delivery time problems as he can offer production capacity by another suppliers and act as Sales and Operation planning intermediate between supply and demand.

Very good Market overview with detailed understanding of multiple company's strengths and know-how about latest developments including offering of optimum Price/ Technology/ Quality ratio are the key services of the Sales Agent.

How they have charged to buyers, separately (consultancy) or will be covered through purchase order of products (commission from principal), need to be agreed and depends from case to case.

Ultimately, it is the goal of this business case to show new way to improve business performance in the Automotive and Motorsport industry and stated alternative hypothesis (>50% consider working with a Sales Agent in future for improving business performance) was confirmed by the survey.

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